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NALU Faces Ticklish Problem If It Seeks Ban On Dual Licensing

By ROBERT B. MITCHELL

National Assn. of Life Underwriters faces a puzzling problem if it decides to seek a ban on the licensing of salesmen to sell both life insurance and mutual funds or securities. This is because in the not too distant future quite a few life companies will be offering both life insurance and variable annuities. The Securities & Exchange Commission has held that general agents selling variable annuities must be licensed as securities dealers and presumably life agents selling variable annuities would also have to be licensed by the SEC.

Queried by THE NATIONAL UNDERWRITER, NALU Trustee R. Edwin Wood, Phoenix Mutual Life, San Francisco, chairman of the NALU field practices committee, said his committee is in the process of selecting a subcommittee on dual licensing, in line with authorization granted earlier by NALU.

At Root Of Replacement Evil

Mr. Wood feels that dual licensing is at the root of much of the replacement problem, but at the same time he is aware of the trouble that would be caused to variable annuity companies by a complete ban on dual licensing. He says that in many cases the marketers of mutual fund shares deliberately encourage salesmen to base their sales strategy on surrendering cash value life insurance, buying term and investing the difference in mutual fund shares. He told of a friend who is dually licensed and makes a large part of his income from

selling fund shares and securities but without advising the dumping of cash value life insurance.

"I went to a mutual fund company's sales conference recently," this man told Mr. Wood, "and I was sickened at the way they urged the salesmen to sell by getting the prospect to finance his purchase through surrendering his cash values. I make quite a lot through selling fund shares but I'd gladly give it up if we could put a stop to the kind of selling that's going on among dual-licensed salesmen."

Aside from the problem of hurting companies and agents selling variable annuities, a ban on dual licensing

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New England Life Takes Action On Policy Switching

BOSTON—New England Life has set up a new procedure to curb the replacement of policies, either its own or those of other companies. President O. Kelley Anderson emphasized that the action was being taken not because of an excessive number of such replacements but rather to clarify the company's policy on replacements.

From now on the company will refuse to replace a policy in New England Life or any other insurer unless the new application is accompanied by a six part statement explaining the transaction. The agent submitting the application must state that the policyholder has received a complete comparison between the benefits of the old and new policies and must say whether or not he has investigated the possibility of changing the existing policy rather than replacing it.

If the policy to be replaced is with another company, the agent must say if that company is aware of the intended replacement, and further he must give the comparative surrender values and outlay for each of the next five years. Finally, the company will require an explanation of why the agent believes the replacement is considered to be in the best interests of the policyholder.

All such applications will be submitted to a committee at the home office. Even if the statement is received, the new policy will not be issued unless the committee is satisfied with the answers to the six questions.

Allan Shackelton Heads Milwaukee Life Managers

Allan K. Shackelton, Lincoln National, has been elected president of Life Managers & General Agents Assn. of Milwaukee. Other new officers are Stanley W. Grosskopf, Prudential, vice-president; Dennis W. Laudon, Northwestern Mutual, treasurer; and Robert B. Sklenar, Penn Mutual, secretary.

NALC Seeks Change In Tax Treatment Of Individual A&S

WASHINGTON—Reasons why the federal income tax law for life companies should be changed to permit the 2% tax deduction for individual A&S premiums as well as group A&S were advanced by Carlton Harker, vice-president and actuary of Coastal States Life, on behalf of National Assn. of Life Companies before the Senate finance committee.

The 2% deduction, he said, would allow and/or encourage the accumulation of a contingency fund by companies to mitigate any catastrophe losses. Such a hazard exists, he said, for individual A&S to as great an extent as for group A&S. He cited the experience with loss-of-time coverages in the depression of the 1930s and more recently with the Asian flu epidemic. Also, some catastrophe hazard of the group type, such as a plant fire, may exist where an industrial insured has a heavy concentration of A&S on a debit where workers on the debit are predominantly working in the same plant.

Cites North Carolina Situation

The 2% deduction, Mr. Harker pointed out, would afford relief to those companies that recognize the actuarial desirability of maintaining some reserves against their in-force policies even though such reserves are not required by law. For example, North Carolina restricts by statute the area within which an insurer may exercise its normal option to refuse to renew a policy. Hence, a company writing an optionally renewable policy in North Carolina must properly establish a reserve to give recognition to the rising costs under such a policy. Yet such a reserve is not deductible, since the policy is neither non-cancellable nor guaranteed renewal.

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A&S Men Expected Medical Care Bill Postponement To '62

Rayburn Statement Killing Measure For This Session Anticipated Since Spring

By WILLIAM MACFARLANE

When speaker of the house Sam Rayburn this week made it official, stating that the administration's proposal for tying health care for the aged to the social security system would not be acted on by the House this session, he confirmed what most knowledgeable spokesmen for the voluntary health insurance business have been saying since late spring.

As also anticipated, speaker Rayburn's remarks do not represent a kiss-of-death for the Anderson-King bill, but rather only a very temporary breather for the health insurance business. Congressional work on the bill will continue, with an eye towards bringing the measure up for a vote in the 1962 session of Congress. In fact, the House ways and means committee will begin hearings on the bill starting July 24. Secretary of Health, Education & Welfare Abraham Ribicoff will be the lead-off witness in favor of the bill, and it is expected that Health Insurance Assn. President H. Lewis Rietz, executive vice-president of Great Southern Life, will be among the witnesses opposing the measure later in the week.

Actually, progress of the bill through Congress has pretty much followed the predictions of insurance spokesmen since early June, when the house timetable for a wide variety of important measures became more evident. Earlier in the year, soon after President Kennedy listed medical care

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Equitable To Lend \$31 Million For St. Louis Stadium

Equitable Society will lend \$31 million to finance a new stadium in downtown St. Louis. The project, which will also include six parking garages and a motel, will occupy a 31-block area close to the riverfront and directly south of the center of town.

Sponsoring the program is the Downtown Civic Center Redevelopment Corp., which has raised \$17 million out of a goal of \$20 in equity capital. Total costs may reach \$86 million.

The stadium will house the city's major league baseball and football teams and will have a capacity of 50,000.

Lawler Named Secretary Of Dallas Estate Council

Robert Lawler has been appointed executive secretary of Dallas Estate Planning Council. He will continue to serve in a similar capacity with two related organizations, Dallas Assn. of Life Underwriters and General Agents & Managers Club of Dallas.



Policy replacement problem was discussed by William P. Worthington, Home Life of New York chairman, at June meeting of Detroit Assn. of Life Underwriters. Pictured are, from left: E. Joseph Gryson, Connecticut General, president-elect of Detroit association; Mr. Worthington; Mayor Louis C. Miriani of Detroit, who also addressed meeting; and Clare E. Cronkright, New York Life, president.

Belknap: Old Rules For Needs, Selling No Longer Hold True

Raymond K. Belknap, president of United States Life, in a speech on the role of life insurance in a changing world at the company's eastern regional conference at Asheville, N.C., stated that the old standards of life insurance needs and selling have changed considerably in the last decades and that the needs and selling procedures of yesterday are no longer valid today.

"The world is bigger today than we realize," Mr. Belknap said. "For instance, of the 65 generations since the birth of Christ, the last one and one-half generations have produced more goods than the first 63½. Of all the people born since the year A.D. 1, more than half are alive today. And our opportunities in the life insurance business have been growing naturally alongside this production and population explosion."

Life Expectancy Increased

"Moreover, the working life expectancy of the American male has increased over 30% since 1900. This has pushed up the insurable value of the human life in like proportions. Women are living longer. Today, a married man 65 years old has a wife who will outlive him by six years. He needs the same life insurance as a man age 55 did years ago. This means that the old standards of life insurance needs and of selling life insurance are no longer valid. We must have the courage to prescribe for our clients what they really need in terms of protection and long-term security, which as you all know means permanent long-term life insurance."

The theme of the conference was "Selling the Small Businessman."

The company's new pension program was introduced during the conference. The program is made up of fully-insured pensions and split-funded pensions, offering participating and guaranteed cost policies. Guaranteed issue and pension option riders are available.

Gordon E. Crosby Jr., vice-president and director of agencies, who concluded the meeting, emphasized that agents should learn to tap the "com-

(CONTINUED ON PAGE 23)

Problems In Selling The Professional Partnership Discussed At MDRT Rally

Problems of selling professional partnerships were discussed at the annual meeting of the Million Dollar Round Table at Bal Harbour, Fla., by John D. Macdonald, New England Life, Miami, and Thomas McCreary, New York Life, San Francisco.

Mr. Macdonald said the two key points in selling a professional partnership are establishing the need for a properly executed agreement funded by life insurance, and arriving at a valuation. In arriving at a valuation, difficulty arises from the fact that the partnership income is so dependent on the creative skills and abilities of the partners. Mr. Macdonald also discussed the pros and cons of ownership and beneficiary arrangements, salary continuation or cash-buy-out.

In dealing with professional partnerships, the Kintner type of association often comes up for discussion, said Mr. Macdonald, and it is necessary to be aware of the basic requirements for this type of organization to achieve its goal of being taxed as a corporation. The Internal Revenue Service has set up six criteria.

Two of the requirements—having associates and an objective of carrying on a business or profession—are common to both partnerships and corporations, and would not have influence in achieving corporation status, so the contention would have to rest on the other four corporate criteria:

1. Continuity of life: In most states a partnership is dissolved by the death, insanity or withdrawal of a member despite agreement to the contrary. A limited partnership ends under similar circumstances.

2. Centralized management: A corporation is run by the board of directors. A partnership lacks this feature, because any one of the partners can legally bind the company under most state laws—despite agreement between the partners to the contrary. A limited partnership, says IRS, may have centralized management but only if the general partners have no substantial ownership interest in the firm.

3. Limited liability: Partners do not have the limited liability of corporate stockholders. Through some tortured reasoning, said Mr. Macdonald, the IRS says this also applies to limited partnerships even when the general partners (the only one having personal liability) has no substantial assets, thus reversing the position IRS took in the regulations as originally proposed.

4. Free transferability of assets: A corporate stockholder can sell his stock

and the buyer gets the rights the seller had—voting rights, dividends and the like. But if a partner sells his interest, the buyer normally gets only a right to share in profits and liquidating distributions. He does not receive rights to share in the firm's affairs as a partner. However, a partner can transfer all of his status if there is a clause to that effect in the partnership agreement. So IRS does not say that there can never be free transferability in a partnership.

The general effect of the new regulations, said Mr. Macdonald, is to make it impossible for a partnership or limited partnership to qualify for corporate tax treatment.

Mr. McCreary discussed, with the aid of slides, a presentation he and his associate, William Regan, developed to solve the problem of interesting professional partnerships.

"As many of you know," he said,

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P.A. Hoche Enters NALU Trustee Race

Philip A. Hoche, general agent for Kansas City Life in Orlando, Fla., has entered the National Assn. of Life Underwriters campaign for election as trustee.

He has the unanimous endorsement of the Florida association and many local associations. At its recent annual convention, the Georgia association unanimously endorsed his candidacy, and so have several local associations in Georgia.

Mr. Hoche is serving his second year as chairman of the NALU membership committee. In May he received the state association's highest honor, the Snead memorial award, "for outstanding service, as evidenced by his exemplary conduct, high character, and tireless efforts in advancing the cause of life insurance in the finest traditions of the industry."

During his 29 years in the life insurance business Mr. Hoche has served as president of the state and Orlando associations, the state and local managers associations, the local estate planning council and the state CLU chapter. He has been chairman of several NALU committees besides the membership unit. He was a member of the selection committee appointed to name a successor to NALU Executive Vice-president Lester O. Schriver. He served a three-year term as trustee of Life Underwriter Training Council and he is currently a member of the LUTC examination committee and of the CLU development council.

Before moving to Florida in 1947, Mr. Hoche was in the life insurance business in Chicago, where he entered the business, and in Bloomington, Ill., where he was a director of the local association. He is active in community affairs, having been president and 1959 "man of the year" of the Winter Park Rotary Club, member of the executive committee of the Orange County Heart Assn., and immediate past president of the Winter Park High School Band Boosters.

Valentine Howell Defends Sec. 213 As Sound Bulwark

Valentine Howell, executive vice-president of Prudential, writes as follows about the editorial "Section 213: The Next to Fall?" which appeared in the June 17 issue.

I take vigorous issue with your views on the value of section 213 of the New York law and of the propriety of applying it to the companies domiciled outside of New York State.

The current section 213-213A is far from perfect. It will presumably be improved and modernized from time to time. Even so, it probably

never will be perfect, but in my opinion it is, and will remain, a bulwark of sound life insurance in this country for as long as it stays on the books.

Your argument that section 213 is responsible for preventing the sale of billions of dollars of protection to men who were "avoided by agents because of the smallness of the commission potential" has two defects:

First, in one large company, 30% of an average sample of ordinary insurance policyholders had earnings of less than \$5,000 in 1960. This does not seem to indicate present neglect of the lower income brackets on the part of the agents.

Might Boost In OASI Benefits

Second, your assumption that insurance at any cost is better than no insurance ignores the probable willingness of a social welfare minded government to tack an additional amount of death benefit onto social security provisions. It is well to remember that governmental opinion back in the days of the temporary national economic committee was not too favorably inclined toward small debit policies.

As to the old argument of competitive net costs being sufficient to keep acquisition costs down, in the case of larger policies, it wasn't working out that way when section 213 was first placed on the books, and I see no reason to believe that human nature has undergone any revolutionary change since that time.

The effect of the removal of section 213 might not be immediate. However, I believe that it would lead to a slow but inevitable increase in the cost of life insurance.

EDITOR NOT PERSUADED

Editor's note: The question is not really whether some of the agents sell some of the low-income people some of the time—though 30% is a long way from being in step with the 71.5% of the population age 14 and over who have incomes under \$5,000 a year. As a measure of section 213's effect on such sales, we should analyze the insurance carried by the under-\$5,000 a year family heads. What's the average amount of life insurance of the best-insured 10% of this group? Of the next-best-insured 10%? And so on down the line. What percentage of

(CONTINUED ON PAGE 27)



Raymond K. Belknap



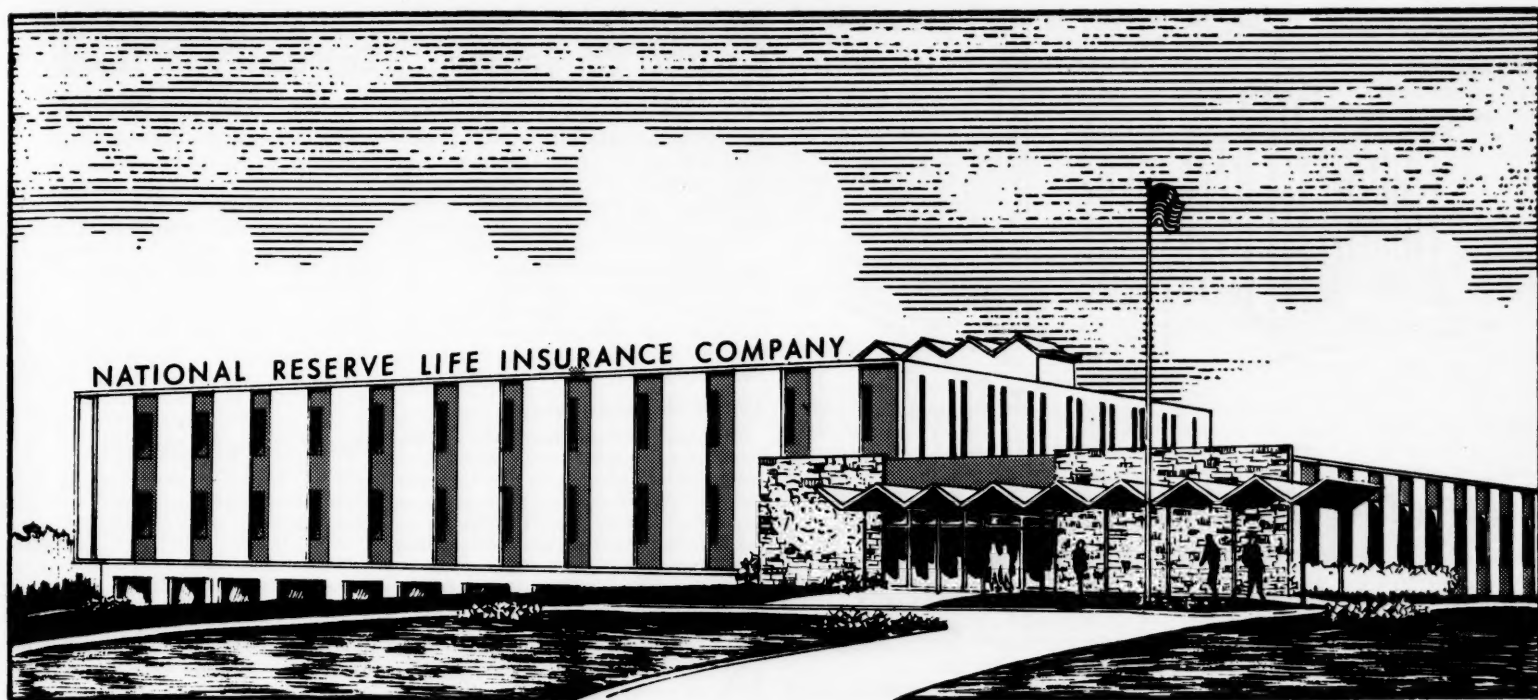
Valentine Howell



Philip A. Hoche



Raymond K. Belknap, president of United States Life, center, holds his company's highest production trophy, the president's award, just prior to presenting it to William P. White, left, and Alfred H. Winston, general agents at New York Life. The White & Winston agency also took awards for first place in group cases and group volume and third place in life volume.



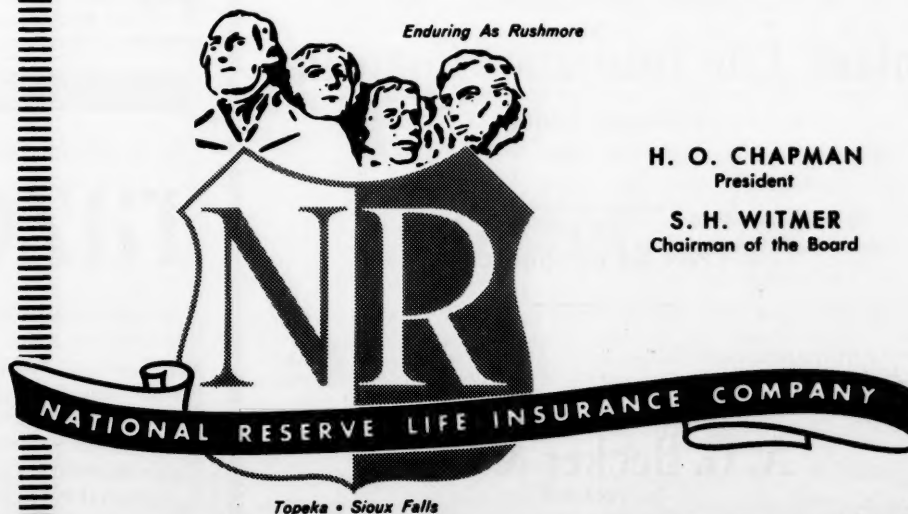
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That Offers You A Real
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To Make Money!*

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Tested Specialized Merchandise featuring a highly effective investment type program, in addition to both Participating and Non-Participating Plans. Top Commissions—Fully Paid Conventions (for both man and wife)—plus many other benefits can be yours. Now is the time to join the parade of progress with one of the Midwest's most rapidly growing companies.

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Our large scale expansion program is creating attractive territory openings currently available. Write us for complete information. All correspondence in confidence.



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President

S. H. WITMER
Chairman of the Board



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The pride a Bankerslifeman feels in the company he represents stems in very large measure from the reputation his company has earned over the years for the introduction of really original ideas in the life insurance business. He is proud to say he was the first to carry the now popular *Guaranteed Purchase Option*, the *Cradle Protection* plan and the *Wife Protection Rider* in his brief case. Carefully chosen and thoroughly trained, the typical Bankerslifeman has *service* as his watchword. This means that his professional presentation of the new ideas from his company will see to it that his clientele gets optimum benefits from "The Company That Fits The Need."

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Common Stock
(50¢ Par Value)

Price \$4 per Share

Copies of the Prospectus may be obtained in any state from such of the several Underwriters, including the undersigned, as may lawfully offer the securities in such state.

A. G. Becker & Co.
Incorporated

July 7, 1961

Menagh Outlines Pru Program For Barring Conflict Of Interest

Louis R. Menagh, president of Prudential, after receiving Commissioner Howell's letter calling for New Jersey insurance companies to set up procedures to prevent conflict of interest, issued the following statement:

"We are in complete agreement with Commissioner Howell's views with respect to the disclosure of any situations which could possibly be construed as creating conflicts of interest on the part of officers, directors and employees of insurance companies.

Already Has Complied

"In fact, Prudential has already done substantially everything that Commissioner Howell is now requesting. In January the board of directors started procedures within the company to strengthen the pre-existing rules and regulations on this subject, and a committee of directors has been working on it ever since.

"In April a new by-law clearly stating the company policy against adverse interests of any type on the part of its directors, officers or employees was adopted.

"In May a questionnaire of the type Commissioner Howell is now requesting was answered by all officers and employees with substantial responsibilities.

"In addition, a comprehensive series of regulations implementing the statement of policy has been prepared by the committee of directors for submission to the full board. These will be put into the form of a printed statement covering every phase of this problem for distribution to our staff."

Julius L. Ullman, president of W. L. Perrin & Sons, New York City, presents the cup offered by International Assn. of Health Underwriters to the winner of the fifth race at Roosevelt Raceway, Westbury N. Y., during the IAHU convention in New York City. The race was designated on the program as the Health Insurance Handicap. The winning horse was

Brenda Eden, driven by Vernon Dancer. Next to Mr. Ullman is Mrs. Ullman. At left are William J. Hill, head of the New York City agency bearing his name, who was entertainment committee chairman of the convention, and Mrs. Hill.



Dickenson Retires As Equitable's PR Head; M. A. Gulick Succeeds

Melville P. Dickenson, senior vice-president of public relations and personnel of Equitable Society, will retire Sept. 1, and will be succeeded by Merle A. Gulick, vice-president, public relations and personnel. Although Mr. Dickenson requested early retirement from his present post, he will continue with the company as a personal producer for the Walsh agency in Philadelphia and will serve as consultant on public relations and personnel matters to president James F. Oates Jr. until Dec. 31.

Minn. Deputy Resigns

ST. PAUL—Charging that the state insurance department's policies are "incompatible" with the insurance industry, Howard Peterson, assistant manager of the rating division, has resigned effective Aug. 11. In a telegram to Gov. Andersen announcing his resignation, Mr. Peterson cited the "incompatibility of the operations of the department with the industry it is designed to regulate."

Commissioner Cyrus Magnusson said Mr. Peterson's charge was "completely incorrect."

"We have the best relationship and liaison with the industry and with the agents that one could contemplate," the commissioner said. He described Mr. Peterson as a "very efficient person but an unhappy one. He doesn't feel he has been receiving a salary in keeping with his ability, and I think he is right."

Mr. Peterson's salary of \$8,000 is set by the legislature.

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Piedmont Southern, with its great financial strength, bright territorial potential, strong product and promotion portfolio, and warm cooperative

spirit, may be the answer to your razor-edged career dilemma.



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INSURANCE COMPANY
Stanford Y. Smith, CLU, Agency Vice Pres.
HOME OFFICE • ATLANTA, GEORGIA

Era Of 'Startling Change' Is Seen By Guardian Chairman

"These are thrilling times in which we are privileged to live," James A. McLain, president of Guardian Life, said in his closing address at the company's regional sales leaders meeting in Portsmouth, N. H.

"We are part and parcel of the beginning of the third great revolution in the history of mankind—a period that may one day be called by historians the 'Electronic Revolution,'" Mr. McLain said.

"There are going to be startling changes in our standards of living, in our economy, in our relations with people all over the world. There will be opportunities unlike anything mankind has ever known before—if we have the wisdom, the patience, the ability to grasp them."

Address By President

The eastern meeting of the Guardian Leaders Club had Douglas J. Bailey, Boston, retiring president of the club, as chairman, and opened with a welcoming address by John L. Cameron, president. Mr. Cameron discussed the series of sales records the field force has established over the past year.

Mr. McLain presented the production awards and was followed by Maury Kusnitz, Fall River, Mass., the newly elected president of the club, who discussed "The Dual Miracle of Life Insurance."

Edwin J. Phelps, superintendent of agencies, was chairman of the second day's meeting. A panel moderated by Alan D. Canfield, manager of health

insurance sales, included Selwyn Ackerman, Providence, William M. Cohen, New Haven, and Charles Kornitzer, New Brunswick, N. J., who discussed prospecting, closing and servicing techniques in health insurance.

Earl W. Cryer, superintendent of Guardian's new life policies which included Harry Haiblum, Brooklyn, William D. Kelly, Orange, N. J., Arthur J. Merin, Albany, Frank P. Nassberg, New York, Price H. Topping, vice-president and associate general counsel, and Edward C. Zeiger, actuary.

Another panel on prospecting, planning and sales methods, this one moderated by Brian S. Brown, assistant vice-president, included Mr. Bailey, Wilbur C. Grass, St. Louis, Mr. Kusnitz, David Subotky, Newark, and H. Arthur Warshall, New York.

Balance of the program the second day was turned over to room-hopping sessions, during which the subjects discussed were client building, group insurance, pension and deposit administration plans and field compensation and security benefits.

Mass. Mutual Extends Flying Time Limits

Massachusetts Mutual has eased flying time restrictions for non-commercial pilots eligible for standard rates. When these pilots are at least age 27 and have had more than 400 hours of solo experience, they now are allowed up to 200 hours flying time per year without rating-up. In the past, 100 hours was the maximum permitted.

In addition, many pilots with less experience now are granted standard rates if they fly 150 hours or less a year. Other classes have also been liberalized.

3 Named To Prepare Case Book Financed By MDRT Foundation

Prof. Kenneth Black Jr., Georgia State College of Business Administration, Jack C. Keir, American College, and Prof. Sterling Surrey, Northwest Missouri State College, have been selected from a total of 12 applicants to undertake the preparation of the case book in life insurance that is being financed by a \$5,000 grant from the Million Dollar Round Table Foundation to American Risk & Insurance Assn. (formerly American Assn. of University Teachers of Insurance).

The case book will be designed to serve as a supplement to basic text materials in college classes in life insurance or in insurance company training programs. It is intended for use in basic life insurance courses rather than advanced courses and will contain cases pertaining to all important areas of life insurance operations.

In a report to President Davis W. Gregg of ARIA and American College,

Prof. Dan W. McGill of University of Pennsylvania, chairman of the ARIA advisory committee to supervise preparation of the case book, said the three collaborators plan to begin work this summer, and it is contemplated that the project will be completed well within the two year time limit specified in the agreement between the MDRT Foundation and ARIA.

Name Other Members

Mr. McGill said his committee, whose other members are Profs. C. Arthur Williams of University of Minnesota and David A. Ivry of University of Connecticut, together with the three writers, had tentatively agreed that the case book would cover these broad subjects: product development of ordinary insurance, variable annuity, group life, pension plans and disability coverage; debit insurance; pricing policy, dividend policy, surrender values; underwriting and selection practices; home office organization; settlement agreements; simple and advanced programing; business insurance; inter-company cooperation; regulations; financial statements, and form of corporate organization.

one of the
best
and one of the
busiest

Comparable year-to-date figures continue to show that Central Life's sales consistently run well ahead of the life insurance industry as a whole. There are several reasons why this is so—and Central Life agents agree that an important one is *true graduated premium* on all plans (except single premium). The quantity discount idea, first introduced in the United States by Central Life in 1955, is another example of the sales-minded leadership that's making "One of the Best" one of the busiest, too!

Central Life

ASSURANCE COMPANY, DES MOINES 6, IOWA
Progressive and competitive, yes . . . but not

at the expense of financial security

ASSETS	\$180 Million
SURPLUS	\$15 Million
INSURANCE IN FORCE	\$650 Million



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LOMA Report Covers Computer Room Method

Life Office Management Assn. has published its third automation report, "Daily Operation of the Computer Room," which contains contributions of 10 members of the association's automation committee. Copies of the report have been distributed to LOMA member companies.

The first two sections of the report—"Scheduling" and "Utilization Records"—discuss in question and answer form the use of outside com-

puters, revision of standard working hours, breakdown of computer time, maintenance of records, etc., in six life companies.

The third section, "Console Operation," describes in narrative form the control of computer operation and the handling of production runs in one life company. The last section covers the functions of the tape librarian in two life companies.

Copies of the report are available from LOMA headquarters at \$1.50 for members and \$3 for non-members, plus a postage and handling fee of 25 cents.

Sales Suggest Growing Cash Value Preference

Public interest in the savings feature of life insurance is growing stronger, sales results of Western Life of Helena during May have indicated.

In its largest paid-premium month in history, the company saw average premium per policy rise to \$188. The average premium was \$180 in 1960 and \$167 in 1959.

Another bit of evidence of growing interest in permanent, cash-value plans was a gain in premium per \$1,000 of insurance. The average premium per thousand during May was \$21.53 compared to \$19.36 in the same month last year.

St. Louis Life Agents vs Rebating On School Cover

Directors of Life Underwriters Assn. of St. Louis have gone on record as opposing the proposed plan to rebate commissions on property coverage purchased by the board of education. The plan, suggested by Insurance Board of St. Louis, is under study by the school board, which rejected a similar program five years ago.

A resolution adopted by the life agents' directors said that such a plan "could create an atmosphere in which under-the-table deals might be fostered." The resolution further stated that if insurers operate without compensation, they cannot be expected to maintain the "close interest and supervision required to insure properly and economically the property of the school board."

The plan suggested by Insurance Board of St. Louis calls for companies to refund commissions, which would then go toward driver training and other special educational programs. It is contended the plan would be legal in every respect and would not violate the anti-rebating laws of Missouri.

The board of education will receive bids until July 24 on accident coverage for public school students.

Lincoln Income, Tenn. Insurer Plan Merger

Directors of Lincoln Income Life of Louisville and Capitol Life of Nashville have voted to merge the latter into Lincoln Income, subject to the approval of stockholders and the Kentucky and Tennessee departments.

The merger plan calls for an exchange of one share of Lincoln Income stock for several Capitol shares, the ratio not being disclosed.

The Louisville insurer has about \$230 million of insurance in force, and Capitol about \$5.5 million. Capitol, organized in 1956, is headed by James McCord, former Tennessee governor. On Dec. 31, 1960, the company had capital of \$871,405 and surplus amounted to \$32,718.

Allenbaugh Promoted

Carl J. Allenbaugh has been promoted to the newly created post of assistant treasurer of the Hawaii department of treasury and regulation. Mr. Allenbaugh has been chief deputy insurance commissioner.

The Hawaii department of treasury and regulation covers a wide area of authority including banks, insurance companies, securities, non-profit corporations, etc.

Mr. Allenbaugh was appointed chief deputy insurance commissioner in 1952. Before that he was manager of the insurance department of Hawaiian Trust Co., general agent of Prudential and with the B. F. Billingham Co.

Attending Management Seminars

Gary E. Pflugfelder of Aetna Life and Ralph W. Swenson Sr. of Connecticut General are attending the seminar on "teaching-machines" of American Management Assn. at Saranac Lake, N. Y., July 17-21. Lawrence Sanford of Aetna Life and Neil R. Cronquist of Metropolitan Life are participating in the AMA forum on simulation of problems at the same place and time.

Where tomorrow begins



It looks like a typical life insurance agency, this Home Life office in Newark, N. J.

Like any agency, it has a healthy respect for such things as sales results and service to policyowners. But if it never writes another policy, it still will be one of the company's most important field offices.

This is the Management Development Division. For Home Life, this is where tomorrow begins.

As a company in the midst of an ambitious expansion program, Home Life expects its tomorrows to include many new agencies. To meet present objectives, it is estimated that the company will need to appoint one new manager every ninety days.

The Management Development Division was organized for that purpose. Funneling into this unit come life insurance men who have shown sales management capacity and the qualifications for success. Under experienced direction, they are given a thorough grounding in the company's Planned Estates operation. They receive training in the recruiting and coaching of new underwriters. They learn the "business" of running an agency. All of this is accomplished under actual field conditions.

The future of any life insurance company depends in large measure on the quality of its field leadership. As Home Life expands, the Management Development Division will make certain that the company's tomorrow will be in good hands.

HOME LIFE INSURANCE COMPANY
253 BROADWAY, NEW YORK 8, N. Y.

TERM RIDERS...TO MEET ANY NEED

- **LEVEL 10 YEAR: RENEWABLE TO AGE 70**
Up to 4 times base policy.
- **DECREASING . . . MODIFIED FAMILY INCOME**
10, 15, 20, 25, 30 years and to age 65
Up to \$50 monthly per \$1,000 base policy.
- **INCREASING . . . TERM TO AGE 65**
Return of all premiums paid.
ANNUAL RENEWABLE TO AGE 70
Return of amount of cash value.
- **FAMILY Life insurance and accidental death benefit for wife and children.**
- **GUARANTEED PURCHASE . . . Guarantees future insurability.**

For further information on this and other "New For '61" plans, contact

Citizens Life

INSURANCE COMPANY of NEW YORK
33 MAIDEN LANE • NEW YORK 38, N. Y.

July 15, 1961

July 15, 1961

LIFE INSURANCE EDITION

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518 E. SPRUCE ST.
CENTERVILLE, U. S. A.

JOHN Q. FRANKLINITE

REPRESENTATIVE
THE FRANKLIN LIFE INSURANCE CO.
SPRINGFIELD, ILLINOIS

Simple But Successful Idea For Joint Sale Of Pension Plans Told To MDRT

A simple but highly successful system of joint selling of pension and profit-sharing plans that has closed about 400 such cases in the last nine years and accounted for more than \$12 million of permanent life insurance in 1960 alone was described at the annual meeting of the Million Dollar Round Table in Bal Harbour, Fla., by Sidney O. Thompson and John J. Langan. Both are with New England Life in New York City, as is Lambert

M. Huppeler, who moderated the session.

"All of us realize that the moderate sized employer has the same need as the giant corporation to hold key personnel, and it is in the area of the small to moderate sized employee group that we operate best," said Mr. Thompson. "This group will vary from two or three employees to about 100 employee participants. We find very little, if any, activity by any other

consulting organizations offering services to this vast group. There are many trust companies, banks, actuaries, etc., advertising that this is available, but none of them are really merchandising their product.

"The attitude we use in talking to prospects and clients alike is simplicity rather than trying to make it appear complicated and difficult to handle merely to show how expert we are. Basically, our philosophy is that a pension plan is simply a system of placing money from profits into a pension reserve with money to be paid out at a future date. It is a sound

method of tax-sheltering dollars.

"We would like to think that the forerunner of all methods of building pension reserves was the retirement income contract. Today, so many variations of this method of financing pensions have been devised that it is no wonder many life underwriters shy away from this wonderful service to their clientele. We say they should develop their own approach and without increasing staff and overhead be able to service up to 40 or 50 trusts using a system similar to ours, with no more than their own secretary.

"Even though your product is sound, and this we know pension systems to be, you as individuals must understand and know your product if you are to forcefully and sincerely explain it to your prospects so they will vividly remember the details. Simplicity, soundness and sincerity are basic to the prospecting techniques that keep us in business."

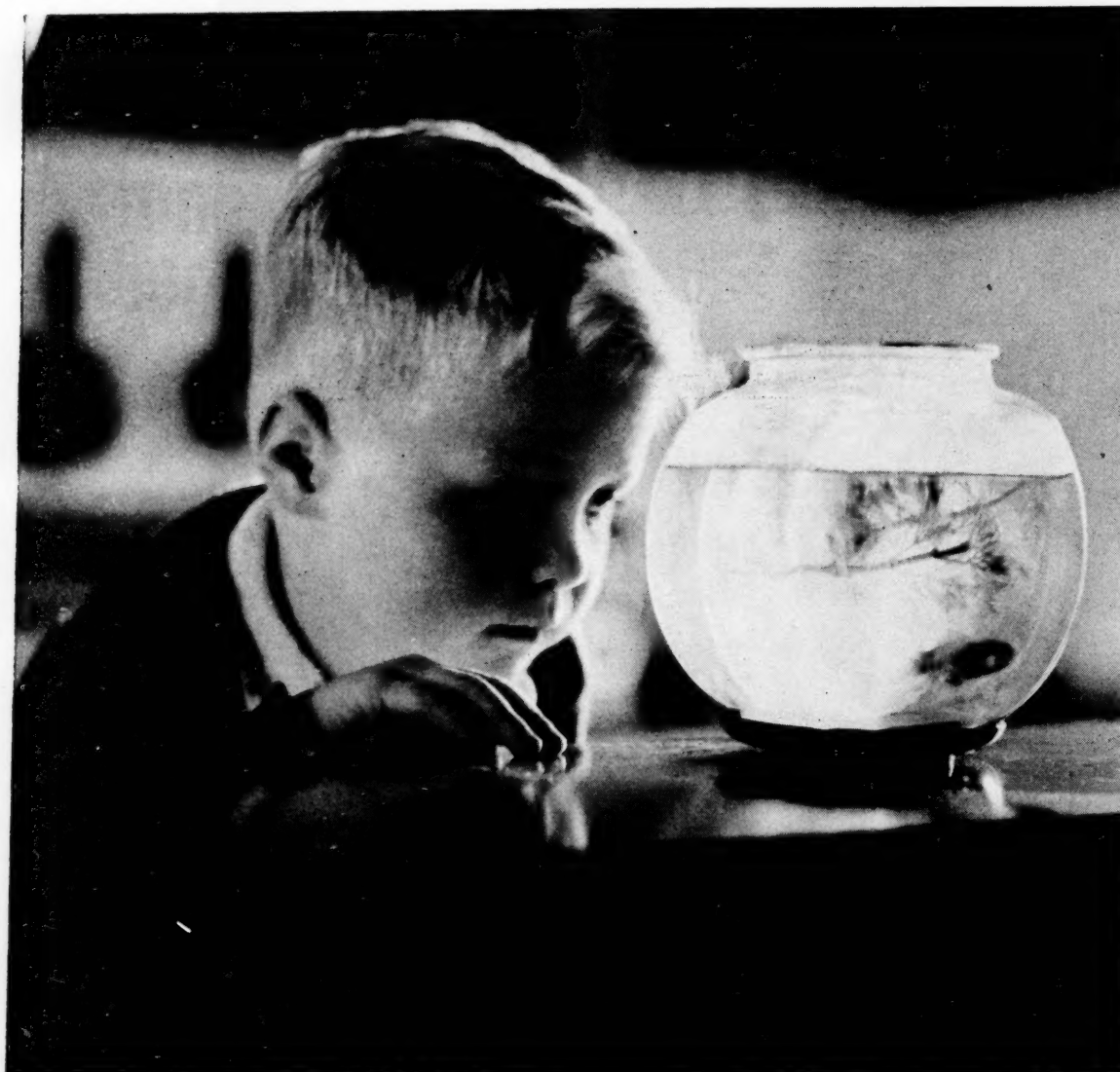
Mr. Langan, who does the prospecting for the team, explained the process. His main areas of activity are referred leads from present corporate accounts; professional groups, such as CPAs and attorneys, who can be offered the use of the Thompson-Langan expert staff as an additional service they can give their clientele; direct mail to presidents of small corporations having up to 100 employees, which averages about a 10% reply ratio; cold calls to industry, which Mr. Langan likes best; short talks to professional groups and to groups like Rotary, Exchange, etc.

Offers Partner's Services

Mr. Langan's next step after obtaining payroll data is to build up prestige for his team by offering the services of Mr. Thompson, who will give them expert guidance in the next interview, which Mr. Langan attempts to set up at that time. They like to have the president, accountant, and attorney present at this next meeting, at which Mr. Thompson endeavors to sell the plan. Before that he makes some basic calculations so that at the meeting a decision can be expected.

"I take my rate book and calculate the cost of a 10% pension on everyone's compensation up to \$400 a month," said Mr. Thompson. "If earnings are less than \$400, I use the lesser figure. Thus you will have established the insurance premium and investment fund outlay for all of the personnel who have earnings in this category. We use 15 years of service to get maximum credit, pro-rating the credit for employees with less than 15 years of potential total service.

"This exact method is followed on everyone's compensation in excess of \$400 a month, and an insurance premium and investment fund outlay is obtained. We also calculate how much would be paid by employees if asked to contribute. In the same manner, we do a 1 and 1. That is a 1% contribution on all compensation up to \$400 a month and 1% on all compensation in excess of \$400 a month. Proceeding with this system and using either a flat percentage formula to achieve the results that John Langan promised this executive or to build around social security using an integrated formula is then a matter of mathematics. In my next interview with the president of the firm, the type of formula that in most cases fits is the integrated formula and one very easily understood by the executive. The president, along with his accountant and attorney in this interview, are quite amazed at the simplicity of the entire plan."



What will his father's retirement mean to this little boy? "Support" or "independence"? The answer may depend on you. □ As a life insurance counsellor, you can solve dad's problem with a Great-West retirement plan that will guarantee financial independence. Great-West Life has a wide range of annuity plans, par and non-par, that will meet a father's need and circumstances. □ Many brokers find in Great-West Life a satisfactory answer to this problem — so can you. Call or write our nearest office today: **Great-West Life**

ASSURANCE COMPANY

BEHIND THE NYLIC AGENT...



*A continuous
training program
to keep advancing
his career!*

The day a person qualifies as a Field Underwriter with New York Life, his training begins. Through regular classes, home study, and personal consultations with management, he covers all the specially prepared texts in the three-part Nylic Training Course.

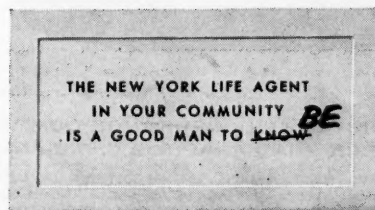
Part One covers insurance fundamentals and basic Nylic selling techniques, single-need selling, merchandising insurance, selling through service, total-need selling, expanding markets, and marketing mass coverages. **Part Two** covers programming with planned security.

Part Three covers Business Insurance topics such as: reaching the businessman; solving sole proprietor, partnership, corporation and key-man problems. This part also explores Estate Conservation; selling the estate owner, tax procedures and guides.

Career conferences, advanced underwriting seminars, workshops, and club meetings supplement this training and provide a way to continuously increase the agent's know-how and advance his career. Also, the Nylic Agent who desires to enroll in C.L.U. study courses receives full assistance from the Company.

This continuous training, combined with his enthusiasm and ability, helps explain why the Nylic Agent is so successful—and why New York Life policies are so widely owned.

*Thorough career
training is
another reason why...*



New York Life Insurance Company

51 Madison Avenue, New York 10, N. Y.

A MUTUAL COMPANY FOUNDED IN 1845

Life Insurance • Group Insurance • Annuities
Accident & Sickness Insurance • Pension Plans

Deferred Pay Plans Present Unusual Sales Opportunities, MDRT Is Told

The rich opportunities for sales in the field of deferred compensation plans were described at the annual meeting of the Million Dollar Round Table at Bal Harbour, Fla., by two Mutual Benefit Life men, John Mulock, Clearwater, Fla., and William N. Thurman, Atlanta.

Mr. Mulock took as an example an executive in the 43% tax bracket, which leaves him \$57 out of each \$100

of pay. Describing his reaction to a salary continuance proposal, Mr. Mulock said:

"Just to get back to \$100, he has to earn \$43 on \$57, which is 76% after taxes or 133% before taxes at his 43% rate. To earn \$63 and match the extra 20% we promise initially under the salary continuance contract he has to earn 110% after taxes, 194% before taxes, at his 43% rate, or even—if he

tries to slip out of your grasp by talking about capital gains—140% capital gain on each year's investment, including the last!

"The 30% bracket taxpayer has to earn 100% on each year's investment, including the last, to match the contract's \$120 amount. Even the bottom or 20% taxpayer has to earn 62%. Wherever your individual executive is on the scale, by the time he has transferred these horrible facts to the 'solution sheet' he's ready for the offered solution.

"To return to our 43% executive, I

wish you could have witnessed his relief when he realized upon figuring his post-retirement income and income tax at the bottom of the solution sheet that his tax-exempt social security income would pay the entire income tax on his \$9,000 continued salary, leaving his net income from outside investments as so much gravy. At this final point we tell the executive: 'If your outside income, an unknown quantity even at age 65, is small, you'll have little tax. If it's large, you'll have little problem.' "

Mr. Mulock predicted the enactment of legislation that will exempt from taxation corporate earnings on reserves behind key-man insurance tied in with deferred compensation contracts, matching the qualified plan's exemption. He also predicted changes in the laws that will exempt from taxation corporate earnings on reserves behind deferred compensation contracts, and exempt such reserves from claims of corporate creditors.

Urging a crusade to bring about such results, Mr. Mulock said, "It is not normal for us to sit back and whine while we watch bankers and mutual fund salesmen rush into the pension trust vacuum and raid its individual policies. It is normal for us to gird our loins, grab our swords and shields, unfurl our banners and march. I call upon you all to join in a crusade for a return to normality in deferred compensation!"

Mr. Thurman said most big companies have some form of retirement program for employees but most small ones don't.

"This is paradoxical and unnecessary," he declared. "Top management makes the decision on retirement plans in big companies and small. Management is closer to its employees in smaller companies and from almost every logical point of view should be more interested in its fewer employees than the bigger company. Love and affection thus has little to do with this state of affairs.

"The small business man is harassed with a multitude of red tape and is reluctant or totally unwilling to heap additional red tape on his shoulders through the adoption of a qualified retirement plan. Big business, with its adequate technical staffs, is better equipped to cope with the headaches of the qualified plan. Introduce to the small business man a quality retirement program that he can control, that the employees will appreciate, that is reasonable in cost and rich in quality, and create for yourself an uncomplicated yet fruitful market that needs your attention as you need its rewards.

"The selective incentive plan, utilizing limited pay life insurance only as its method of funding, has dramatic appeal to the small business man if skillfully presented. Being fully insured, this plan is rich in quality. Being selective, it avoids the objection of government supervision and control. Providing incentive, it is acceptable to the philosophies of the typical small business man. Yes, employer contributions are fully tax deductible.

"Because this plan is simple to present and simple to understand, there is incentive for us as agents to pursue this market . . . and perform a service to the public."



How tall do you stand in Group Insurance?

If your hot group prospects cool off because you can't get fast enough action—call the Group Department of American United Life.

You and your prospective client will both get immediate service from experienced A·U·L group specialists, who are expert at tailoring contracts to suit individual company needs.

Using A·U·L you're immediately competitive, with the right price—broad coverage—flexible underwriting. American United Life approaches the problem of rates on a practical basis.

Known for its co-operative "Partnership Philosophy"—it's the Company for *you* when you want fast, efficient action. When you place your call, ask for Sherman Jensen, vice-president, Group.

A·U·L

THE COMPANY WITH
ALL MEN
ALL THINKERS
ALL PLANNERS
ALL DOERS

A·U·L is a good Company to buy from and sell for. You too can stand tall against the strongest competition, when backed by A·U·L resources and "know-how."

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INSURANCE COMPANY ESTABLISHED 1897
The Company with the Partnership Philosophy

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ALL ORDINARY LIFE FORMS • FLEXIBLE OPTIONS • LOW NET COST SPECIALS • BUSINESS LIFE INSURANCE • KEY MAN • PARTNERSHIP • ANNUITIES • UNIQUE JUVENILE • GROUP LIFE • GROUP CREDIT INSURANCE • GROUP MORTGAGE INSURANCE • GROUP RETIREMENT • PENSION TRUSTS • NON-CANCELABLE DISABILITY INCOME • GUARANTEED RENEWABLE MAJOR MEDICAL • GUARANTEED RENEWABLE HOSPITAL & SURGICAL • SPECIALISTS IN SUBSTANDARD UNDERWRITING & REINSURANCE.

RATE
BOOK
SPECIALISTS

DESIGN
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SINCE 1920

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MDRT Members Given Pointers On Operating As Business Men

Entirely aside from what he says in his sales talks, the organization and operation of the million dollar producer's setup as a business man is so important that an entire afternoon at the MDRT annual meeting at Bal Harbour, Fla., was devoted to hearing seven Round Table members tell how they organize their office procedures and pre-sale activities. The session was conducted by Alfred J. Lewallen, Mutual Benefit Life, Miami, a member of the executive committee.

A. J. Lewallen

When writing a letter to a referred lead, Henry F. McCamish, Jr., Massachusetts Mutual Life, Atlanta, doesn't send the letter direct to the prospect but sends it to the client from whom the name was obtained, so that the client can add a note at the bottom of the letter. This has proved extremely helpful in getting the first interview. When the letter goes to the client, it contains a postcard for the client to return to Mr. McCamish indicating that the letter has been mailed to the prospect.

The prospect's name is then entered in the daily plans book for contacting. To make sure that he always reports to the client on the outcome of contacting the referred lead, Mr. McCamish keeps a special folder for this purpose. If more referred leads are obtained than he could properly handle if he were to write to all them at once, Mr. McCamish immediately writes to the most promising ones and files the balance of the cards behind the "referred leads" tab. From the time the letters are written until the postcard comes back from the center of influence, the prospect cards are kept in a special section, so that when the postcard comes back, the prospect card is removed from this section and the name entered in the daily plans book for contacting.

Folder For Contacted Leads

There is a manila folder for each referred lead prospect who has been contacted. Inside its front cover is a check-list giving each step in the estate analysis procedure. Thus, each time Mr. McCamish has to refer to a client's folder he has in front of him all the important data about him and his family. Mr. McCamish explained and showed slides of all the details of his procedure.

Finding that straight solicitation of fellow members of the Junior Chamber of Commerce when he moved to Joliet, Ill., was causing antagonism, Louis Fish, Mutual Benefit Life, decided not to contact people until they had a chance to be in one or more local activities with him. Then his approach was that he wanted to meet with them to discuss a particular activity and also to tell them a little about the type of work he did in life insurance. If they were reluctant, when they met, to discuss insurance work, then Mr. Fish quickly backed off.

Mr. Fish became an active member of Kiwanis and the City Club of the YMCA, and active in various drives such as the Community Chest, YMCA membership drive, Heart Fund, Red Cross, Salvation Army, Easter Seal

and March of Dimes. Eventually he was made a director and officer of a number of these organizations. This led to his receiving the award for "outstanding young man of the year" in 1953. The following year—and every year since—he qualified for the MDRT.

The big problem with community activities, said Mr. Fish, is the time

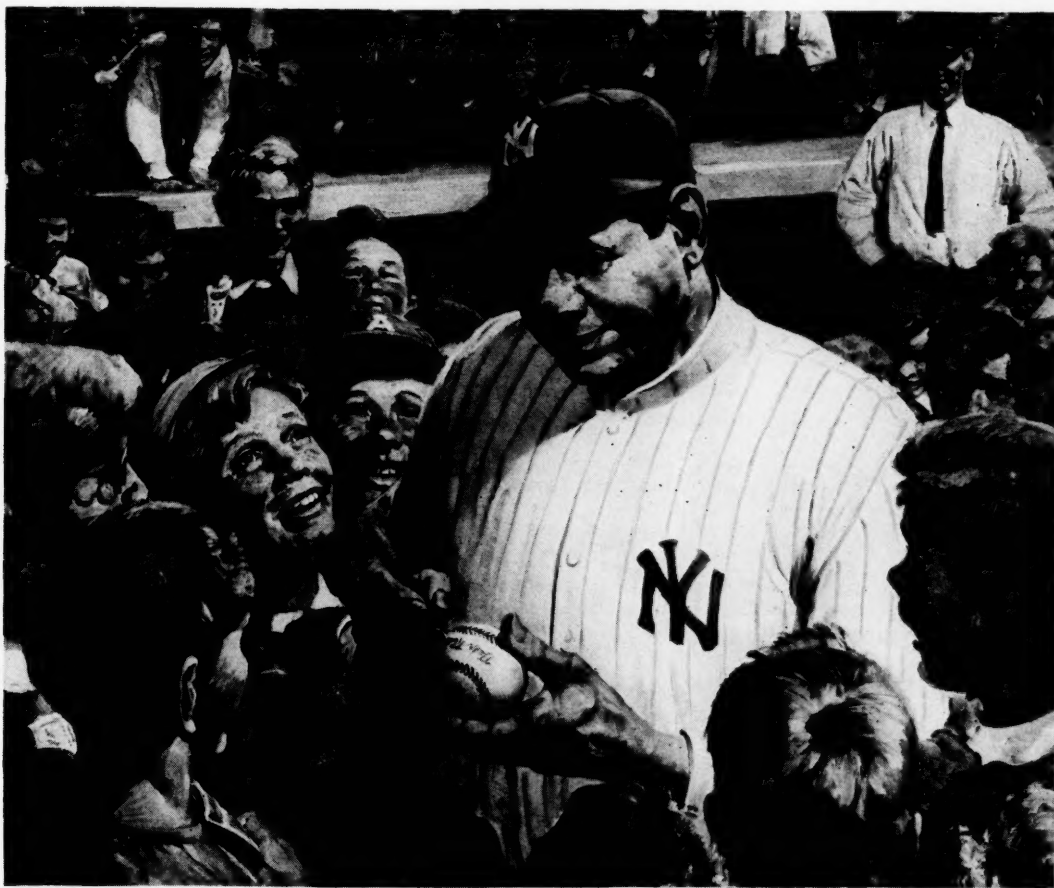
they take. He averages 10 hours a week. He has been able to hold it down to this comparative minimum by two means: (1) The telephone, in spite of the preference for calls made in person. He does almost all his contacting by phone and thus can get in touch with 10 people in the time it would take to see one personally. (2) Motivating other people to work. After the first two years it was easy for Mr. Fish to climb the ladder in the various drives because of his conscientious efforts. Then, instead of doing the soliciting himself he

got other people to do it. This he also did by phone. He had two sources of workers—those for whom he had worked in previous years and young, aggressive people. To the latter he points out that employment opportunities have a way of opening up for those who do a good job in community work—and he can cite examples to prove it.

Telling how he uses tax news letters effectively, Richard G. Bowers, New York Life, Keokuk, Ia., said these cover three main subjects: individual

(CONTINUED ON PAGE 19)

A company is known by the face it presents to the public. This advertisement is one of a series that appears regularly in national magazines... a series that identifies our company and its agents with the American way of life and all that it stands for.



He showed us how to play the game

If YOU SAW him you already know, and if you did not see him there is no way to tell you, just how it was, how the air changed and your heart leaped up, when the Babe picked up his long bat and came loping up to the plate.

The way he looked—the blacksmith's body on the ballet dancer's legs—you knew it was the Babe from the last row in the bleachers. The way he walked—something between a swagger and a shamle—the walk of a man who knew he was good, and was glad of it, but didn't take it too seriously.

What was it about the Babe? Why did we love him? Not just because he could hit a ball harder and farther and more often than any man who ever lived. There was more to it than that.

We loved him because he'd had it so tough as a kid, and had made the grade anyway. We loved him because he always had as much time for the newsboy on the corner as for the

big shot in the box... and because he gave himself so freely to anybody who needed him—a sick kid in the hospital, a charity drive, a good cause of any kind.

We loved him for the way he called everybody "Kid" if they were under forty, or "Doc" if they were over. And most of all we loved him because we were little and he was big, and yet he was like us, and we could hope to be—if we tried real hard—something like him.

They say there'll never be another Babe Ruth, but they're wrong. In this kind of country, there'll always be men like the Babe. Men who can rise up high from way down low. Men who can solo brilliantly, and still play with and for the team. Men who swing hard at life, trying for a homer, but never forgetting the decent rules of the game. In a country where nearly everybody is willing to play ball with the next man, how can Babe Ruth ever die?

John Hancock
MUTUAL LIFE INSURANCE COMPANY
BOSTON, MASSACHUSETTS

Directors Of New Jersey Insurers Are Ordered To Tell Affiliations

Directors of New Jersey insurers have been ordered by Commissioner Charles R. Howell to adopt procedures and by-laws which will fully disclose their business interests, affiliations, or investments "which might occasion a conflict of interest."

Such procedures together with a complete questionnaire must be completed and sent to the commissioner by Nov. 15, the order stated. The com-

missioner said that he would await further study before making the procedure applicable to other types of financial institution such as banks and savings and loan associations.

"As you are no doubt aware," the commissioner wrote to all domestic companies, "as a result of items in the press during the past year, several instances of apparent conflict of interest on the part of officers of corporations including insurance companies have been publicized."

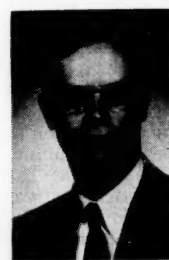
About two years ago, Carrol M. Shanks, president of the Prudential,

now retired, was absolved by the commissioner of violating state law in connection with an investment of some \$100,000 he had made in a plywood manufacturing company.

Mr. Howell pointed out that National Assn. of Insurance Commissioners has approved a suggestion for including a general inquiry in the annual statement form asking disclosure by directors or trustees of any possible conflict of interest. "It is my desire," he said, "to further implement procedures to prevent such possible conflicts occurring in the future."

Henningsen Testifies Against Reopening Of NSLI To Veterans

WASHINGTON—Legislation reopening National Service life insurance coverage for veterans was op-



V. E. Henningsen

posed as unnecessary and unjustifiable competition with private business in testimony presented today before the Senate finance committee by Victor E. Henningsen, actuary of Northwestern Mutual Life, on behalf of American Life Convention and Life Insurance Assn. of America. The committee held hearings on the bill, the substance of which it had already been approved as an amendment to another veterans bill reported to the Senate.

"Re-establishing eligibility at this time would constitute a reversal of the earlier congressional determination that there is no longer a need nor sound justification for providing government insurance to able-bodied veterans," said Mr. Henningsen. No purpose would be served by a lengthy development of the history of the National Service life insurance program. It is clear, however, that the principal original purpose of providing government insurance to service men was to provide adequate financial protection for their dependents in the event of death while in service as well as to protect the serviceman against a service-connected loss of insurability. We conclude that this purpose has been fully served with respect to veterans of past service.

No Reason for Change

"Proposals for reopening NSLI on several occasions have been considered but have failed of enactment. The hearings, reports and debates on these various legislative phases contain numerous statements supporting the discontinuance of post-service insurance for non-disabled veterans. As stated above, we believe that this history and these statements constitute a pattern of rejection which should be changed only for the most compelling reasons and we do not believe that such reasons exist."

Mr. Henningsen emphasized the unfairness to private insurers of the advantage enjoyed by the federal government in not being subject to certain costs with which these private insurers are confronted. Among such costs, he said, are state and federal taxes as well as the costs of maintaining the agency system which serves the American public so well. In terms of business costs, exemption from these taxes and agency charges is tantamount to a subsidy. The life companies can provide better service, but cannot and should not be required to compete with government insurance which is not subject to the usual and necessary costs which private companies must bear, Mr. Henningsen declared.

Alexander & Alexander, New York brokerage and actuarial consulting firm, has extended its consulting actuarial services into Canada with the formation of Alexander & Alexander Services and the purchase of J. W. Moreland & Co. of Montreal, consulting actuaries and employee benefit consultants.

The successful general insurance man keeps this TRUMP CARD on his calendar

ADDITIONAL INCOME from increased commissions can be found in your files right at this moment. Many of your present clients should be interested in Business Life Insurance Plans . . . plans that bring *high commissions*. At no extra cost, you can have an expert from the Business Planning Department of your local Aetna Life General Agency work in your behalf. He'll act as a valuable member of your staff, without adding to your payroll.

To get *your* added profits, enlist the advanced underwriting services of Aetna Life. Check your files for prospects *today*.



AETNA LIFE
INSURANCE COMPANY
Hartford 15, Connecticut

Affiliates: Aetna Casualty and Surety Company
Standard Fire Insurance Company
The Excelsior Life, Canada

FRIDAY 30

TELEPHONE MU 8-3972

GEORGE H. DUNCAN
BROKERAGE SUPERVISOR

212 TREMONT BUILDING
BAYSIDE, CONNECTICUT

AETNA LIFE INSURANCE COMPANY
LIFE, ACCIDENT AND GROUP INSURANCE

Agency meeting 9 a.m.
Check rate with George Duncan
Betty's birthday tomorrow

MO-42781

Changes In The Field

Connecticut Mutual Life



Roderick G. Messinger

Roderick G. Messinger, general agent at San Diego, has been appointed general agent at Los Angeles, succeeding C. Carlton Coffin Jr., who has been named superintendent of agencies of Aetna Life. Mr. Messinger joined the San Diego agency in 1953, later becoming supervisor. G. Lawrence Moison II, supervisor at Oakland, Cal., succeeds Mr. Messinger.

Robert D. Wagner, district manager



G. Lawrence Moison II



Robert D. Wagner

at Lincoln, Neb., has been appointed general agent at Milwaukee, to succeed Kenneth W. Jacobs, who is retiring after 30 years in that position, but who will continue with the agency as associate general agent. Mr. Wagner has been supervisor at Omaha and was a director of Lincoln Life Underwriters Assn. Mr. Jacobs has been president of Milwaukee Life Underwriters Assn. and of Milwaukee General Agents & Managers Assn.

Wabash Life



W. B. Davenport

W. Bennett Davenport of Greenwood, Ind., has been named manager of the group sales division. Mr. Davenport has been in group sales work for six years. Prior to joining Wabash Life he was with Nationwide and Connecticut General.

Midland Mutual Life

The company has established an office at Miami, Fla., and named G. Holmes Braddock head. He has been with Massachusetts Mutual for 6 years, the past 2½ as assistant general

Standard Of Oregon

M. Wayne Everton has been named manager at Sacramento. He has been with Prudential as a division manager at Seattle since 1956.

Seaboard Life Of Miami

Seaboard Life has opened the Custom agency at Boston, associated with which will be four general agents—Robert E. Curtis Jr., Arthur F. Law, Theodore D. Mann and Elliott Rose.

Mr. Curtis, president of the agency and qualifying and life member of Million Dollar Round Table, has been an independent agent at Boston since 1953, and before that was with Con-

necticut General and Home Life of New York.

Mr. Law, vice-president of the agency and member of Million Dollar Round Table, has been with Occidental of California at Boston, and before that was manager there for Union Central Life and Home Life of New York. He began his insurance career with Liberty Mutual as a business lines agent.

Mr. Mann, treasurer of the agency, is president and treasurer of the Boston brokerage firm bearing his name. He is a member of the executive council of Insurance Brokers Assn. of Massachusetts.

Mr. Rose, who will make his headquarters in Miami, but whose responsibilities will be centered around the Boston agency, has been with Seaboard since 1957.

Republic National

Arthur T. Ellis has been appointed special representative of the broker-

age division. He has been administrative assistant of that division.

Sentry Life

Stephen C. Perry has been named resident manager of southern operations at Atlanta, serving Georgia, Florida, Virginia, South Carolina, Alabama, District of Columbia, Maryland, North Carolina, and Tennessee. He has been with the company in various sales and administrative positions since 1952. He moves to Atlanta from Stevens Point, where he has been



David Marks, Jr., CLU, New York General Agent (left) receives our President's Trophy from New England Life President O. Kelley Anderson.

Does this surprise you? It should! TOP VOLUME AGENCY WINS PRESIDENT'S TROPHY AWARD

That announcement may sound obvious. After all, isn't it taken for granted that the top producer will win first prize? Not by a long shot — not if that prize is the coveted President's Trophy.

Here's why it's a wide-open contest and full of surprises: All of our agencies compete in divisions according to their size. This means that all of them, small or large, have an equal chance to win the top award.

Even more significant, this year special emphasis was placed on the performance of newer agents. Here selection, training and supervision on the part of the agency are most important. Paradoxically, it appeared that an agency with many big, established producers

might be at a disadvantage. Yet...

Marks Agency is winner for second time in three years! Last year the David Marks Agency of New York City was the winner in its division and the year before won the Trophy. David Marks, Jr., CLU, is himself one of the largest personal producers in the entire industry. And he has quite a number of associates who have been producing over a million dollars a year for some years. Of particular significance in regard to the President's Trophy is the fact that the agency's record with its newer agents was outstanding in 1960. Congratulations to a superb organization and a brilliant leader.

NEW ENGLAND LIFE

NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY; FOUNDER OF MUTUAL LIFE INSURANCE IN AMERICA IN 1835. ALL FORMS OF INDIVIDUAL AND GROUP LIFE INSURANCE, ANNUITIES AND PENSIONS, GROUP HEALTH COVERAGES.

manager of countrywide field operations. From 1955 to 1958 he was in Atlanta as southern general sales manager. His predecessor, D. H. Davis, is moving to Tampa, Fla., where he will manage both the branch office and state operations.

Hamilton Life Of New York



Raymond F. Guido

Raymond F. Guido has been appointed general agent at Syracuse. He has been assistant general agent of Patriot Life there and before that was with Columbian National Life and Mutual of New York.

Business Men's Assurance

C. L. Dungan, district manager at Omaha, has been appointed branch manager there.

American United

Appointed managers are Harley B. Swanson at Peoria and Neal P. L'Esperance of a second agency at Detroit.



Harley B. Swanson



N. P. L'Esperance

Mr. Swanson has been with Equitable of Iowa, and Mr. L'Esperance's 15-year career has been with Equitable Society and Prudential.

Nationwide Life

A group office has been opened at Chicago under Joseph D. Breslin,

group manager for the Illinois-Indiana-Michigan zone. Others assigned to the office are Regional Manager J. L. Hansknecht Jr. and District Manager Ralph T. McCullagh.

Manhattan Life Of New York

Bruce M. Robbins, assistant to the general agent in the agency headed by his father, Joseph D. Robbins, at New York, has been appointed co-general agent there. He has been brokerage supervisor there and before that was with Aetna Life.



Bruce M. Robbins

Tennessee Life

The company has opened an agency office in Oklahoma City and named Richard L. Walker agency manager. He joins Tennessee Life after eight years as Oklahoma City agent and agency supervisor for Connecticut Mutual Life.

Lincoln National, N.Y.

Robert G. Molloy has been appointed agency manager for Westchester County at Scarsdale, N.Y., by Lincoln National Life of New York.

Mr. Molloy has been a district agent for Northwestern Mutual in New York City.



Robert G. Molloy

CONTINENTAL AMERICAN LIFE has appointed William Sylvester and Raymond J. Weiss general agents of new agencies at Lakewood, O., and Cleveland. Mr. Sylvester has been general agent of Franklin Life at Lake-

wood and Mr. Weiss has been unit supervisor of Sun Life of Canada at Cleveland.

Southland Life

Henry N. Hostetter has been appointed manager of a new ordinary agency at Houston, the company's second in that city. He has been assistant manager there.



Henry N. Hostetter

CONNECTICUT GENERAL LIFE—

A. C. Prendergast general agency of Dallas has named Donald E. Buckroyd manager of its life department. Mr. Buckroyd joined Connecticut General in 1955 as an agent at Des Moines and most recently has been at the company's branch in Hartsdale, N. Y.

PEOPLES-HOME LIFE of Indiana has appointed Allen Dillard brokerage manager at Montgomery, Ala.

Pittsburgh Agents' Branch Becomes Independent Assn.

Fayette County (Pa.) Assn. of Life Underwriters has been formed, and it will be headed by James Nagy, Metropolitan Life. The organization has been a branch of the Pittsburgh association since 1945, and membership at the time of reorganization numbered 117.

New Ill. Company

Notice of intent to form an insurance company at Springfield, Ill., has been announced by the nine founders, among whom are Mayor Collins, Circuit Judge Douglass and State Superintendent of Public Instruction Wilkins. The new company will be the

Nathan Hale Life with office at 503 South Grand Avenue. This is also the address of one of the founders, David M. Wilson, an attorney.

Jack Wardlaw Installed As Raleigh Assn. Head

Jack Wardlaw, regional director for Philadelphia Life, was installed as president of Raleigh Assn. of Life Underwriters at the June meeting. He is the author of two books on selling and is a 14-year Million Dollar Round Table qualifier.

Other officers are Ben F. Davis, Connecticut Mutual, past president; C. Earl Lichtman, Pilot Life, 1st vice-president; Fred O. Hall, Shenandoah Life, 2nd vice-president; Ezra Lipham, Life of Georgia, secretary-treasurer; William G. Rand, Penn Mutual, national committeeman; Richard C. Day, Security Life & Trust, state committeeman.

S. F. GAMC Elects

E. E. Keller, Lincoln National Life, has been elected president of San Francisco GAMC.

W. D. Oberholtzer, Manufacturers Life, was named vice-president, and Emmet D. Horan, Phoenix Mutual Life, secretary-treasurer.

New directors are Arthur P. Carroll, Equitable Society, and Robert W. Todd, Bankers Life of Iowa.

Heads Consolidated Service

Consolidated Service Corp. of Little Rock has elected Jack M. Bearsch president. He has been vice-president and treasurer and continues in the latter post with assistance from F. Keith Jones, coordinator of general accounting, who has been named assistant treasurer. Consolidated Service Corp. performs home office and accounting functions for Southland Security Life of Arkansas and Investors Security Life of Illinois.

Conventions

July 27-29, National Assn. of Life Companies, annual, Sheraton-Charles Hotel, New Orleans.
 July 30-Aug. 5, CLU Institute, University of Wisconsin, Madison.
 Aug. 13-19, CLU Institute, University of Colorado, Boulder.
 Aug. 21-23, International Federation of Commercial Travelers Insurance Organizations annual, La Fonda Hotel, Santa Fe.
 Aug. 23-Sept. 1, National Insurance Assn., annual, Sheraton-Park Hotel, Washington, D. C.
 Sept. 17-20, International Claim Assn., annual, The Greenbrier, White Sulphur Springs, W. Va.
 Sept. 20-22, Life Insurance Advertisers Assn., annual, Sheraton-Dallas Hotel, Dallas.
 Sept. 24-29, National Assn. of Life Underwriters, annual, Denver Hilton Hotel, Denver.
 Sept. 25, Fraternal Actuarial Assn., annual, Netherland Hilton Hotel, Cincinnati.
 Sept. 25-27, Life Office Management Assn., annual, Shoreham Hotel, Washington, D. C.
 Sept. 25-27, National Fraternal Congress, annual, Netherland Hilton Hotel, Cincinnati.
 Oct. 9-10, Conference of Actuaries in Public Practice, Sheraton-Blackstone Hotel, Chicago.
 Oct. 9-13, American Life Convention, annual, Edgewater Beach Hotel, Chicago.
 Oct. 10, Insurance Economics Society, annual, Edgewater Beach Hotel, Chicago.
 Oct. 18-20, Institute of Home Office Underwriters, annual, Jung Hotel, New Orleans.
 Nov. 6-9, Life Insurance Agency Management Assn., annual, Edgewater Beach Hotel, Chicago.
 Nov. 13-15, Health Insurance Assn., individual insurance forum, Sheraton Hotel, Philadelphia.
 Nov. 13-15, Society of Actuaries, annual, The Greenbrier, White Sulphur Springs, W. Va.

FROM ALL PARTS OF THE NATION..

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National sales leaders from District Agency, General

Agency, and Group Agency are converging

on Chicago to celebrate our 50th Anniversary.

A wonderful program is planned for them...

training sessions, sales clinics, and business

meetings will set the tempo for these

men of accomplishment. We salute our Company leaders...

with a warm WELCOME TO CHICAGO!



Washington National Insurance Company

HOME OFFICE • EVANSTON, ILLINOIS

LIFE • ACCIDENT • SICKNESS • GROUP • HOSPITAL • SURGICAL

Home Office Changes

Prudential

J. E. Rutter, who has been associate general manager at the company's Chicago regional home office in mortgage loan and real estate investment since 1954, has been transferred to the home office and promoted to general manager.

Mr. Rutter joined Prudential in 1947 as a mortgage loan inspector at Kansas City and was subsequently named mortgage loan appraiser and supervising appraiser. In 1951 he was appointed to production manager there and was sent to Chicago in 1953.

Ohio National

Dr. Gene M. Thompson has been appointed assistant medical director. He is a graduate of University of Cincinnati college of medicine and has been in private practice at Oxford, O.

New York Life

Assistant vice-presidents promoted to 2nd vice-presidents are Robert C. Bissell, policy settlements and service; Peter J. Burns, health insurance; Ernest R. Donath, insurance operations; Fred M. Rom, comptroller's department, and Donald K. Ross, investment.

Promoted to assistant vice-presidents in the comptroller's department are Archibald J. Forsyth, Frank C. Lauer Jr., W. Ralph McCardell, all former executive assistants, and Nicholas J. Zampino Jr., former senior statistician.

William E. Keiter, supervisor in the investment department, becomes as-



J. E. Rutter

sistant vice-president, investment; Joseph J. Helbig, executive assistant, is named assistant vice-president, insurance operations; Robert Lautz, regional investment supervisor at San Francisco, is promoted to assistant vice-president in charge of the investment office there, and George F. Monks, manager of health insurance claims, is appointed assistant vice-president, health insurance.

John Hancock

Daniel J. Brady has been made director of personal health insurance. He joined the group department in 1946, was made assistant to the director of personal health unit, and later assistant director.

Funded Security of Chicago

Earl R. Keyes has been appointed superintendent of preferred group plans. He has been a pension specialist at Continental Assurance and before that was in the special risks division of Continental Casualty.

Security Mutual Life Of N.Y.

Donald M. Wilson has been appointed an attorney in the legal department, effective Sept. 1. He has been with the Binghamton, N.Y., law firm of Hinman, Howard & Kattell.

Occidental Of California

Daniel F. McGinn has been named assistant actuary. He joined Occidental a year ago and was previously group actuarial analyst for State Mutual Life.

Franklin Life

Allan L. Strom has joined the sales promotion department. He formerly was agency secretary for Western States Life.

Metropolitan Life

George N. Henson, formerly in charge of group sales and service, the southwestern region, with headquarters in St. Louis, has been made 3rd vice-president in group insurance.

Warren I. Beckwith, formerly manager of the special groups unit in the customer relations division, has been appointed assistant vice-president, group insurance.

Paul Revere-Mass. Protective

Dr. G. Gordon Given Jr. has been named assistant medical director. He has been in general practice and was earlier in the air force.

Boston Mutual Life

N. Preston Breed has been elected a director. He is vice-president of State Street Bank & Trust Co. of Boston.

Connecticut General

Dr. Albert B. Ayers and Dr. Stanley G. Wilson Jr. have been made assistant medical directors. Both joined the medical department in 1956.

CHEROKEE LIFE of Nashville has appointed Crawford G. Fennell agency director. He has been with Gulf Life and, most recently, with General of Seattle as southeast division life sales manager.

KENTUCKY CENTRAL LIFE & ACCIDENT—William E. Bills has been appointed group sales manager. He has been with Continental Casualty and Federal Life of Chicago.

TEACHERS INSURANCE & ANNUITY ASSN. has named Robert J. Sinnenberg assistant mortgage officer. He had been with Mutual Benefit Life.

WESTERN TRAVELERS LIFE has named Edwin S. Bingham Jr., vice-president and director and Ralph C. Sutro Co., Los Angeles, a director.

William T. Conway has been made executive vice-president of **STATE-NATIONAL LIFE** of St. Louis and of

other companies in the Transit Casualty group. He has been with the Transit Casualty organization since 1947 and has been vice-president of Selective of that group in Cincinnati since 1956. Transit Casualty acquired State National Life in 1960.

EMPLOYERS NATIONAL LIFE—

Clarence O. Gardner Jr., former president of Western Fidelity Life, has been named executive vice-president and chief operating officer. He entered the business in 1944 as home office manager, and later agent, agency manager, director, and president and general manager of Western Fidelity. Prior to being named executive vice-president, Mr. Gardner had served as consultant in the affiliation of Employers National Life with Texas Employers Insurance Assn. and Employers Casualty.

AMERICAN LIFE & CASUALTY—

Wallace C. Ralston has been named administrative vice-president.

CALHOUN LIFE has advanced John R. Kelly, manager of the A&H department, to vice-president. He is a CLU.

KENTUCKY CENTRAL L.&A.

has appointed John D. Belcher to head a new electronic data processing operation. He has been in the records and procedures department of Prudential at Jacksonville.

NATIONAL INVESTORS LIFE of

Little Rock has appointed James W. Lindsey director of training. He held a similar position with the company's Louisiana affiliate of the same name.

ACTUARIES

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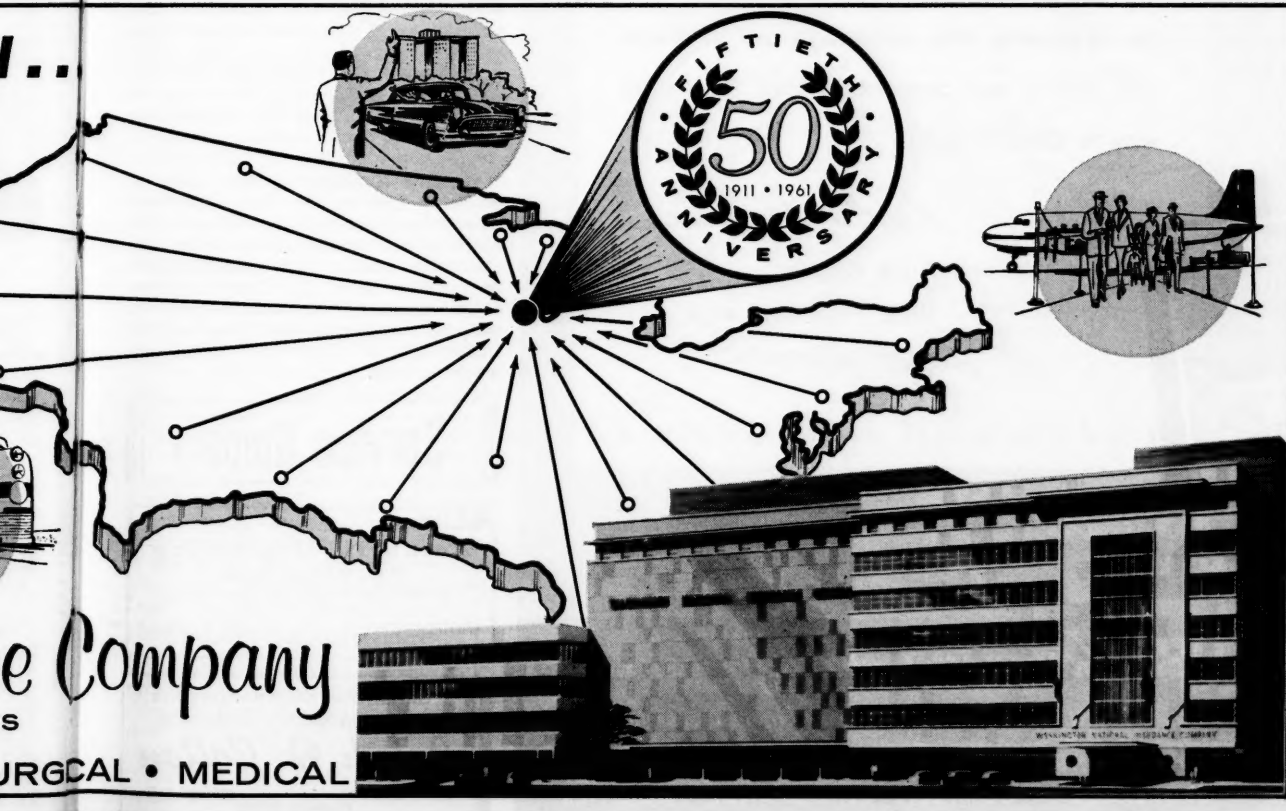
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Supreme Life Acquires Domestic L.&A. Of Ky.

Supreme Life of Chicago is purchasing Domestic Life & Accident, a wholly-owned subsidiary of Kentucky Central Life & Accident. Supreme Life has agreed to buy 100% of the outstanding and authorized stock of Domestic L.&A. for \$1,800,000. A \$100,000 escrow account has been set up by Supreme Life with the National Boulevard Bank of Chicago. Completion of the transaction will depend on the usual audits.

Domestic L.&A. and its parent Kentucky Central L.&A., both of Louisville, were united early this year when Kentucky Central was approved as purchaser of Domestic after some reported hard feelings. In April plans for merger of the two companies were announced. Domestic, a Negro owned and operated company until the Kentucky Central purchase, was sought by at least two other Negro owner insurers, one of which was Supreme Life. It was reported that Supreme Life offered more for Domestic than Kentucky Central.

Domestic L.&A. was founded in 1920 and operates in Kentucky and three other states in which Supreme Life also does business. Domestic has assets of approximately \$5,500,000 and life insurance in force of almost \$30 million.

Assets More Than \$31 Million

Supreme Life's operations, including Domestic L.&A., will have assets of more than \$31 million and insurance in force of nearly \$200 million. Supreme Life maintains operations in 12 states and the District of Columbia.

Huebner Foundation Awards 1961 Grants

The S. S. Huebner Foundation for Insurance Education has awarded the following grants for 1961-1962:

Herman R. Bobbitt, Columbus, O.; Herbert S. Denenberg, Omaha; William K. Ghee, Charleston, W. Va.; Gerald R. Hartman, Chicago; Alfred E. Hofflander Jr., Tampa; Ronald C. Horn, Indianapolis; Harry M. Johnson, Jaffrey, N. H.; Bobbie D. Owens, Maryville, Mo.; Neil D. Reznik, New York City; Donald K. Smith, Norfolk, Va., and Glenn L. Wood, Scottsdale, Ariz.

Awarded grants for the 1961 summer term only: George W. Glendenning, Philadelphia; George L. Granger, Flint, Mich., and William A. Nye, Sarasota, Fla.

The value of the grants ranges from \$3,600 to \$5,200.

Minneapolis Life Agents Elect Reed President

Richard J. Reed, Equitable Society, has been elected president of Minneapolis Assn. of Life Underwriters.

New vice-presidents are William R. Boyles, Occidental of California; Edward W. Brehm Jr., Mutual Benefit Life; Wendell E. Holmquist, National Life of Vermont; and William A. Martin, Manufacturers Life. Also elected are James MacRae, Northwestern National, secretary; William A. Kirk, Prudential, treasurer; and Sabel J. Andersen, Equitable of Iowa, was elected national committeeman.

Los Angeles Life Agents Elect Winburn President

H. Earl Winburn, New York Life, has been elected president of Life Underwriters Assn. of Los Angeles. Other new officers are



H. Earl Winburn

Howard E. Nevo-nen, Washington National, 1st vice-president; William M. Shelton Jr., New England Life, 2nd vice-president; and M. E. Thompson, Pacific Mutual, secretary-treasurer.

Gershon Konikow, general agent of Monarch Life at New York, has been named the 1961 recipient of the CLU Institute scholarship for advanced life insurance studies, awarded annually by the New York CLU Chapter to one of its members. The institute program will be conducted this year at the University of Colorado during the week of Aug. 14.

Service Guide

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WHO SAYS

Loyalty has gone out of style?

June was Beasley month at Republic National Life, honoring the birth month of the founder of the company, Chairman of the Board and Chief Executive Officer, Theo. P. Beasley. To our own Fieldmen and to hundreds of good friends across the nation who submitted a record month's business, we want to express our very sincere gratitude and thanks. They have made it abundantly clear that **LOYALTY HAS NOT GONE OUT OF STYLE . . .**

Now we face the future with even greater confidence and as we continue to expand our sales operations into additional states, the Welcome Mat is always out to those who share our conviction that "The only way to GROW is GO".

[Signature]

Russ Hunke
Vice President and
Agency Director



Families throughout the nation
WIN BEASLEY MONTH Awards
for special production in June

REPUBLIC NATIONAL LIFE Insurance Company

Dallas, Texas

Now the 29th largest U. S. Company in amount of Life Insurance in force

LIFE • ACCIDENT • SICKNESS • MEDICAL AND SURGICAL REIMBURSEMENT • GROUP HOSPITALIZATION • PENSION • BROKERAGE • COMPLETE REINSURANCE FACILITIES

Strain Of Texas Insurance Board:

Health Overinsured Profits At Expense Of Public, Industry, Medical Profession

Health overinsurance, in which insured may profit from poor health, is detrimental to the public, the insurance industry and the medical profession, declared Robert W. Strain, member of the Texas insurance board. It is contrary to public interest in that it distorts the function of the insurance mechanism, violates basic insurance principles and increases premiums through its effects on claim frequency and costs.

Mr. Strain's talk, which was made at the annual convention of Texas Accident & Health Claims & Underwriters Assn. at San Antonio, dealt with the dangers of allowing the problem to go unchecked, the severity in which it exists, and difficulty in finding a solution, and he suggested some possible solutions.

He defined health overinsurance as "recovery from health insurance of an amount in excess of that lost from illness or accident." The overinsured profits at the expense of other policyholders, and the incidence of overinsurance is abetted by the trend toward more liberal court interpretation of policies. Little or no importance appears to be attached to the possibility that an insured may acquire insurance for purely speculative purposes. "Obviously if this trend continues, there will continue to be a constant and substantial increase in the cost of all forms of health insurance," he said.

Multiple Cover, Still Underinsured

Ownership of multiple policies, he pointed out, does not necessarily create overinsurance. An individual can still be underinsured as to a particular loss. Multiple policies serve distinct needs and exist in many situations, particularly where an employee may have group insurance and an individual policy. The unfairness arises when ownership of multiple policies permits insured to profit at the expense of other insured in the group, over and above losses incurred by the claimant.

He categorized the first party to be affected—the public—into four groups: overinsured claimants, overinsured individuals but not claimants, underinsured claimants, and underinsured individuals but not claimants. Overinsured who are not claimants may search for ways to produce a profit-making loss. Underinsured claimants pay rates that are higher than would be necessary were it not for overinsured claimants. "One could even speculate as to whether the lowering of their rates would free them to buy additional insurance," he said.

The mass of policyholders are represented by the underinsured who are not claimants, Mr. Strain explained. "They constantly feel the squeeze of inflation on their pocketbooks and continually look for ways in which they may economize. They are not averse to cancelling their policies when the price pressure becomes unbearable. It is this group that will continue to be affected adversely as rates continue to rise."

Government-Prodged Incentive

The more serious the overinsurance problem, the more attractive are the proposals from Washington for government health insurance, Mr. Strain declared. This should be incentive enough for those in the insurance industry to "think and act in a statesmanlike manner while time is availa-

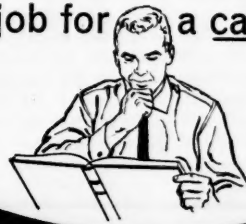
ble," he said.

Turning to the second party affected, the insurance industry, he noted that many companies had pro-rata clauses in the policies providing that if a policyholder has multiple coverage, participating insurers would jointly contribute to actual losses sustained and no more. However, competition has forced companies to abandon this provision.

"This in itself created somewhat of a profit incentive for those insured so inclined," he said. "There are many who feel that this degree of competition exceeds that which is in the public interest and should be controlled. The best regulation comes from self-control, however, and it is hoped that industry leaders will bring about a remedy within the business."

Like inflation, the harmful effects of overinsurance are not so direct, he said. A thinking man will see the fallacy in complacency, though, because

Time to trade
a job for a career?



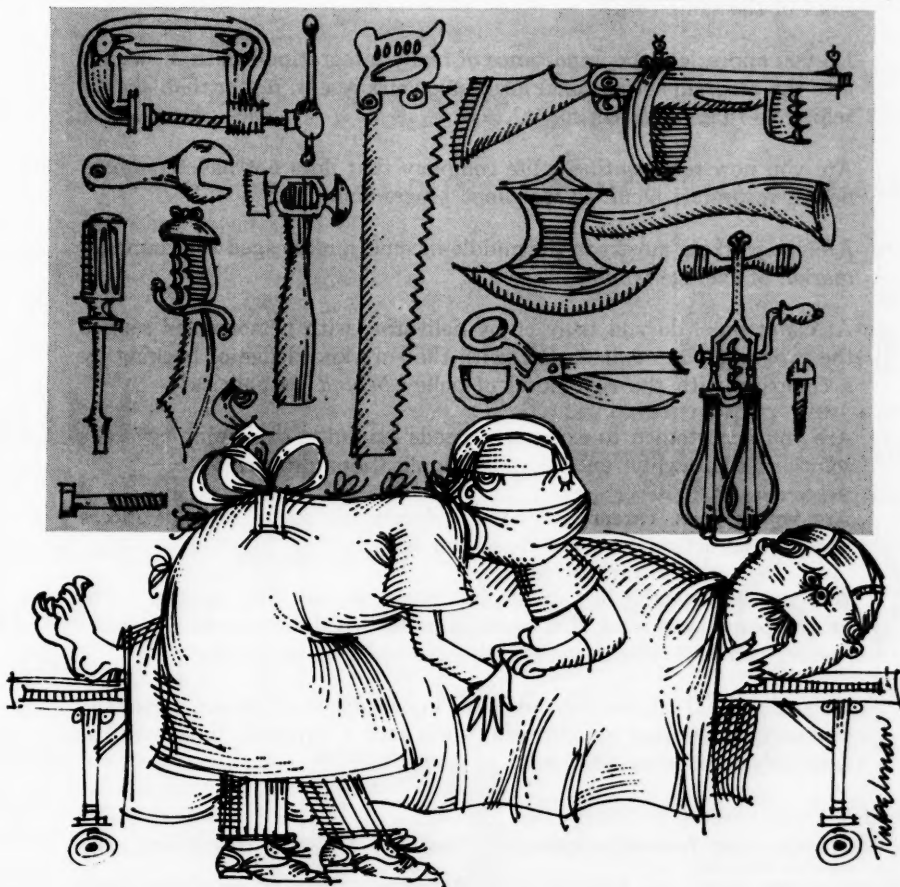
Tune in on big career opportunities now being offered by this progressive, expanding western company.

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Serving Oregon, Idaho, Washington, California, Utah, Hawaii,
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You'll enjoy "THE TWENTIETH CENTURY," Sundays, CBS-TV



The right tools help make the job a lot easier

Little job...big job, there's nothing like having a good selection of tools handy. Whether a Prudential representative works on a small sale or a big sale—he can always depend on Prudential's complete and co-ordinated Advertising & Sales Promotion Program. It offers a good selection of advertising and promotion materials to help make his selling job easier, faster and smoother. Prudential representatives can expect—and get—a variety of hard-working promotion pieces, a continuous coast-to-coast Sunday Newspaper Supplement Campaign, and the added support of Prudential's award-winning TV show—"The Twentieth Century." These "right tools" are always available to help every Prudential representative bring more protection to an ever-increasing number of clients.



TO OVER 35 MILLION PEOPLE — INSURANCE MEANS PRUDENTIAL

increasing rates aggravate the problem and make competition with non-insurance products more difficult. In times of prosperity, non-insurance products are especially tempting to consumers who face increased pressures from enlarged advertising budgets of corporations.

Few Doctors, Much Demand

Mr. Strain pointed out that providers of health care are also affected. With physicians in short supply, the increased demand for their services for less-than-urgent needs causes a

reduction in the time which could be spent with more seriously ill and injured patients.

Overinsurance is also deleterious in that it destroys an individual's incentive to return to work, complicates the hospital credit and collection system and diverts premium resources from more necessary portions of insured's over-all insurance program or necessary living expenses.

Citing a limited survey made by Health Insurance Council in 1959, Mr. Strain said one patient in 10 has duplicate coverage, and it was deter-

mined that 44% of the multiple coverage resulted in some overinsurance. "It is reasonable to assume that if a similar survey were made today, it would reflect the increasing magnitude of this problem," he said.

The development of policy provisions which would act as a control is complicated by a number of factors: Diversity of insurers and coverage involved, inflation, and variations in medical care charges by geographical areas.

A major administrative problem in developing a pro rata solution is in

identifying other insurance in force at the time of a claim. Obviously, insured cannot be counted upon to reveal this information. "Perhaps the aid of the attending physician and hospital should be enlisted, although these parties would perhaps cringe at additional demands on their time," he said.

Sans Program, Status Quo

Mr. Strain said that individual company efforts toward solution must continue to be in areas of better underwriting, improved policy wording and increased investigation of claimants. "Until one or more associations of companies can agree upon a workable plan, the current status of overinsurance will remain unchanged," he remarked.

Offering some thought-stimulating questions, he asked: "What about requiring a listing of other insurance by company and amount on the application, rendering the policy voidable for misstatement? Would this be effective if tied in with a new policy provision to be used by all companies? Or has thought been given to asking for a change in income tax laws to require reporting of income in excess of losses incurred? Could statements of an insured within this area conceivably be treated as warranties, rendering the policy void if incorrect in any way? How is the problem handled in Canada, England and European countries having well-developed health insurance institutions?"

Acquires Health Portfolio

The health insurance portfolio of Early American Life of Evansville has been reinsured 100% by Underwriters National of Indianapolis. Underwriters National takes over all existing health business of Early America but will continue to issue the policy forms previously offered by that company. Early American agents will place their new health business with Underwriters National.

The Early American forms will be in addition to those of Underwriters National and will be available primarily for Early American Life agents although they will be available also to Underwriters National agents.

Hammel Reappointed

Commissioner Paul A. Hammel of Nevada has been reappointed for a four-year term beginning July 1, 1961. He has been in office since 1951 when the Nevada department was established. Mr. Hammel is past-president of NAIC and is currently chairman of Zone 6 of that organization.



Clarence J. Myers, president of New York Life, receives the silver beaver award for "noteworthy service of exceptional character to boyhood" from Boy Scout Walter Donovan and Cub Scout Walter Farley. Mr. Myers was chairman of the Boy Scouts' 1960 Greater New York Council camp fund raising campaign, the largest such drive ever conducted.

ARE YOU OUR KIND OF AGENT? ...without knowing it?

- ☐ Are you well aware that life insurance and health insurance are opposite sides of the same coin?
- ☐ Do you appreciate the importance of really integrating health insurance into the programs of personal insurance you present, rather than simply selling to those who ask for it?
- ☐ Are you now representing a life company that does not have complete health insurance facilities for client programming?
- ☐ Are you working mostly in the middle-income, middle aged (or younger) market of average families?
- ☐ At claim time, do you truly enjoy delivering with personalized service the promises you made earlier, with the sure knowledge of backing by a company with the right kind of policy behind its policies?
- ☐ Are you accustomed to examining needs carefully, explaining coverage solutions thoroughly, and handling applications properly?
- ☐ Are you a keen, career-motivated ordinary life agent, with a sincere professional attitude toward those you serve?
- ☐ Are you well established in life insurance, or has your general agent or company suggested that a high-grade health insurance specialist insurer can help you become well established more rapidly?
- ☐ Do you get real satisfaction out of the knowledge that you are personally putting into another human being's life such a dynamic "life-saver" as disability income replacement?

If you can honestly answer "yes" to these 9 questions, the chances are that you belong with American Health or a company very much like ours. We seek to be—and we honestly believe we are—the kind of company this type of agent should represent.



AMERICAN HEALTH
INSURANCE CORPORATION

300 St. Paul Place, Baltimore 2, Md.

Lewallen Gives Pointers To MDRT Members

(CONTINUED FROM PAGE 11)

financial planning and estate analysis; tax data and plans of interest to corporate executives and stockholders; and employee benefit plans, including the latest material on pension and profit-sharing trusts.

The letter is mailed to new prospects and old customers. He usually sends the letter to a new prospect for several months before calling on him with an idea.

"As a rule, I have found that I am well received when I do make my call, as my name has been in front of him each month," said Mr. Bowers. "As far as my old customers are concerned, this is a perfect method of continual contact. The life insurance business is based on this personal contact. It is impossible to see our many customers and friends personally over a period of years. In my estimation, a quality tax news letter is virtually a 'must' to guarantee a successful operation."

Mr. Bowers mails 225 letters a month. The cost is about \$500 a year besides the cost for postage and envelopes. He watches the list closely, checking it every six months to weed out names that won't bear fruit. Maybe someone has moved away. Maybe he has been unable to do business with a man and there seems to be no possibility in the future.

In addition to the tax letter, Mr. Bowers mails out prestige announcements, such as Million Dollar Round Table qualification, New York Life prestige advertising, and possible reprints of articles that would pertain

to Mr. Bowers' business or the recipient's business. In addition, he uses congratulatory folders, sending them to a man who has had his picture in the paper or an article about himself, and enclosing a copy of the picture or article plus a personal note. These make a most favorable impression, especially when they are about the recipient's children. Also used are birthday cards and personalized calendars.

Records are a mirror, reflecting a man's progress, said Frank Ridge, Mutual Benefit Life, Washington. They show him his business and help him map future goals. They can make him aware of why he is slipping while there is still time to pull out of the slump. They are essential in an exacting business like selling life insurance.

"Let me prove the point, with myself as the example," he said. "In 1960 I took a real kick in the pants—self-inflicted, I might add. Nineteen fifty-nine had been my best year, more than \$1.7 million of permanent insurance, gross earnings well over \$30,000. I was beginning to think I was pretty good. My closing ratio was at its best, 1.39 to 1.

"In 1960 production dropped to \$1,228,000, and the income with it. What happened? I got a little too smug, lazy and complacent, and something even worse: I became too nice a guy. When a client or prospect told me he couldn't buy now, I was much too empathetic: 'Sure, Bill, I understand. We'll take a look at it next year.'"

"And those records didn't lie either.

The closing ratio dropped. The ratio of calls to interviews dropped. The average size case dropped, and so on. Luckily for me, by June I knew I was in trouble, and I was finally jolted out of my complacency. Last summer was hot, as usual, in Washington, and I made it a lot hotter for myself and my prospects. I took no vacation—I didn't deserve one. It turned out to be one of my best summers. And in the fall I just kept slugging. I wound up with a respectable year, but not a good one by a long shot.

"Just what did my records do for me? They didn't perform any miracles, but they did help me spot the trouble faster, they showed me specifically where the weaknesses were. They provided effective shock therapy. Believe me, they helped."

Favors Working In Partnership

The advantages of operating a life insurance business as a partnership were detailed by Benjamin L. Stern, New England Life, New York City. Many other service businesses commonly operate as partnerships, he pointed out. Advantages are a com-

bination of specialists, leveling-out of business done, economy of overhead, mutual stimulation and greater public prestige. Mr. Stern believes life agents would obtain these same advantages from partnership operation.

"I believe we have characteristically conducted our business as individuals not because life insurance selling cannot be intelligently and successfully carried on in multi-member partnerships, but rather because of the historical development of our business," he said. "We are brought into life insurance selling as agents for an insurance company, and the whole structure proceeds from this fundamental fact. . .

"Most of us are better at one element of the job than we are at the others. Each of us has different strengths and weaknesses. If I am a good prospector but an indifferent closer, and the man in the adjoining office is a weak prospector and a strong closer, why shouldn't we join forces and let me do the prospecting while he does the closing? We then spend our time doing the job we do best, and from such a division of labors will inevitably come a better

NOW RENEWAL GUARANTY CORPORATION ANNOUNCES 4 NEW EXCLUSIVE BENEFITS ON RENEWAL COMMISSION LOANS

1. Long term repayment plan
2. Interest on unpaid balance only
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performance for both of us.

"Visualize, if you will, a group of life insurance men in business together, one of whom is a pension trust and group specialist, another an estate planning specialist, another an expert in handling doctors and other professional men, another a good politician and joiner, and so on. Don't you agree that such a group operating jointly will do more business and render better service to their clients than the same men practicing alone?"

There are also some problems to partnership operation, said Mr. Stern.

One is to become psychologically adjusted to the responsibilities and obligations of partnership. Compatibility of partners is as important as ability. Another problem is division of earnings. If two men have about the same ratio of expenses to income, then gross first year commissions can be used as the basis. But if one has an overhead much larger than the other's, then the net figure should be used. A fair approach might be to average the first year commissions of the three preceding years.

Many agents hesitate to enter a

partnership because of fearing they will get less than their production would bring them if they operated as individual agents. There is that risk, Mr. Stern conceded, but pointed out that the situation may work the other way, too: There may be years in which each of the partners receives more than he would have if he had been operating alone.

"I have been a member of a life insurance partnership for 12 years," said Mr. Stern. "We have always managed to find satisfactory solutions to our mutual problems, and I can as-

sure you that neither I nor any of past or present partners are particularly soft, agreeable personalities. We have had our battles. We have nagged each other. We have suffered all the trials and tribulations that people living together must expect. Nevertheless, we are convinced that the good has far outweighed the bad, and that we have all been happier and more successful in our business lives than we could have been going it alone."

Recommends Corporate Basis

Where state licensing laws and company rules permit, there are many advantages to an agent in doing business as a corporation, said Raymond F. Triplett, New York Life, San Jose, Cal. Especially for the high tax bracket agent, there are income tax advantages. An agent filing jointly with his wife and having a taxable income of \$52,000 would pay \$21,480 in federal income tax alone, if operating unincorporated. If incorporated, however, and drawing a salary and possibly a bonus totaling \$27,000, the agent's federal tax would be \$7,500 for the corporation (\$25,000 at 30%) plus a personal tax of \$8,090 (\$27,000 at graduated rates), or a total of \$13,590, for a saving of \$7,890 as compared with the unincorporated basis.

After deducting the tax, the corporation would have \$17,500 remaining in accumulated earnings. Over the years there would be the accumulated earnings tax to think about, but the agent could let it go up to \$100,000 before the burden of proof would be on him to demonstrate that the accumulation beyond the \$100,000 figure was "proper."

Could Invest Surplus

Before reaching the \$100,000 mark, the agent could invest this surplus in such channels as key-man insurance on himself, pension trust, profit-sharing, group insurance, disability income insurance, all of which are accorded tax exemption, thereby favoring the corporation over the sole proprietor. And the corporation could buy stocks in other domestic corporations and enjoy an 85% tax exemption on the dividends.

Or the agent might want to build an office building to house his office and to lease to other professional men, such as examining physicians, accountants and lawyers, thereby providing his clients with "one-stop service." On retiring, the agent could dissolve the corporation and might be eligible for long-term capital gain

The Time is NOW!

The past dozen years have seen more changes in the life insurance industry than the preceding hundred years. The next dozen years are likely to be even more exciting . . . and profitable . . . for the professionally-minded life insurance counselor.

The inevitable boom in the 60's. Higher income levels. New tax and estate problems. New Social Security applications. Rapidly expanding Group Insurance and Pension Plans. Use of Mutual Funds in estate planning. Annuities. Personal and family finance. Knowledge of these and much more will build your client's confidence in you.

Rich rewards will go to the career underwriter who devotes time and talent now, pre-

paring himself to become a C.L.U. and render the brand of life insurance service more and more of today's clients require and expect.

No other industry surpasses life insurance in available professional training. Pinnacle of this training is the Chartered Life Underwriter program of the American College of Life Underwriters. Minnesota Mutual is pleased and proud to number many C.L.U.s among its field force and home office staff. We encourage others constantly to study and work for this honored designation. Talk it over with your Manager or General Agent, your local C.L.U. chapter, or a friend or colleague who is a C.L.U.



The
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Mutual Life**
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VICTORY SQUARE • ST. PAUL, MINNESOTA



Going over their program for the coming year are the newly-elected officers of Philadelphia Life Underwriters Assn. From left are Thomas G. Burgess, Phoenix Mutual Life, president; Norris Maffett, Connecticut Mutual Life, 1st vice-president, and James C. Ross Jr., Penn Mutual Life, treasurer. Not shown is the association's new 2nd vice-president, Thomas F. Irwin, Provident Mutual Life.

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rates at 25% or less, depending on his tax bracket at the time. If the agent should die before dissolving the corporation, then, with a new stepped-up basis, the corporation would be dissolved without any capital gain tax. Mr. Triplett also listed a number of benefits of incorporating for the agent in lower tax brackets.

Agent To General Agent To Agent

One of the grave problems encountered by Sadler Hayes, Penn Mutual, New York City, when he was build-a-general agency while still committed to a \$3 million-a-year personal production was service to his existing clientele. It seemed to be going along all right for a while. Then one day he got a call from a client who owned a rated policy asking, "Where have you been?" The client wanted to check the rating because his board of directors had recently authorized and purchased a \$100,000 key-man policy on his life and he wanted to check the premium. This of course was a shocker.

Then annoyed clients started to accumulate and more and more the word was getting back to Mr. Hayes through mutual friends and clients that they were neglected. They were some important people, and this hurt.

"It is to be assumed that each of you has one or two executive secretaries and you don't have personnel problems," said Mr. Hayes. "But if you just happen to have these problems from time to time, you and I are in the same boat. So if you contemplate selling life insurance and building a general agency simultaneously, you don't double these personnel problems, you multiply them. And how you multiply them! At this point in my career I have trained 30 secretaries and I don't want to train any

more, but I know I will have to."

Mr. Hayes said that since a good part of his time was spent in agency work, his personal business suffered. He had to prospect for agents as well as for business, and also prospect for office personnel, all of which interfered with the type of organized prospecting he conducted as an agent. Another problem is that some agents resent the general agent's personal production.

"Isn't it logical that these two jobs are different jobs?" he asked. "If you are going to be a general agent, be a general agent and build a sales organization and don't sell. If you are going to be an agent, sell this great product with conviction and sincerity and be equipped to give service second to none."

Balboni Elected Head Of Boston Life Agents Unit

Lario J. Balboni, manager of Metropolitan Life at Newton, has been elected president of Boston Life Underwriters Assn. Other officers elected were Donald Shepherd, John Hancock, Quincy, and Laurens F. Bruno, Equitable Society, Boston, vice-presidents, and Albert E. Richardson Jr., Hartford Life, Boston, reelected secretary-treasurer.

Directors elected were Charles W. Dwyer, Metropolitan Life, Lynn; C. Robinson Fish III, Northwestern Mutual, Boston; John F. Gerrior, Metropolitan Life, Arlington; George E. Lovett, John Hancock, Brockton; Bernard P. McParland, New England Life, Boston, and Sumner Rodman, Aetna Life, Boston. Edward H. Duffy, John Hancock, Quincy, will continue as national committeeman.

Dual Licensing Ban Could Be Ticklish

(CONTINUED FROM PAGE 1)

might face another hazard. There is some legal opinion, said Mr. Wood, to the effect that a law or regulation banning dual licensing could be knocked out as unconstitutional. If that should prove to be the case, an alternative approach might be that taken by the Florida association. This is to legally require any agent who sells both life insurance and mutual funds to keep in his files for three years copies of all recommendations made in such sales. This might not prove effective in every case, but it would at least show up the modus operandi of those whose entire sales pattern is twist-and-sell, and enable the insurance department to haul them up on the carpet.

An amendment embodying this three-year requirement was enacted in Florida this year at the state association's request. It became effective July 1.

In case it is found that a constitutional ban can be imposed on dual licensing, it might be possible to take care of the variable annuity situation by getting the SEC to issue special

limited licenses for the sale of variable annuities issued by the agent's company, on the theory that the life company would be responsible for the agent's actions in selling variable annuities just as it would be in his selling of life insurance.

How About Other Agents?

This would still leave the problem of the life agent who wants to sell variable annuities but whose company does not sell them and has no intention of doing so. If he were permitted to sell for any variable annuity company or any life company selling variable annuities, would there be enough control over his activities, or would he be back in the same free-wheeling spot he is in now, with no controls worth mentioning from either the SEC or the insurance departments?

Whatever the answer proves to be, Mr. Wood feels it is of the utmost importance to find ways of putting a stop to the deliberate encouragement of twisting that is being advocated as part of the sales technique of some mutual fund marketers.

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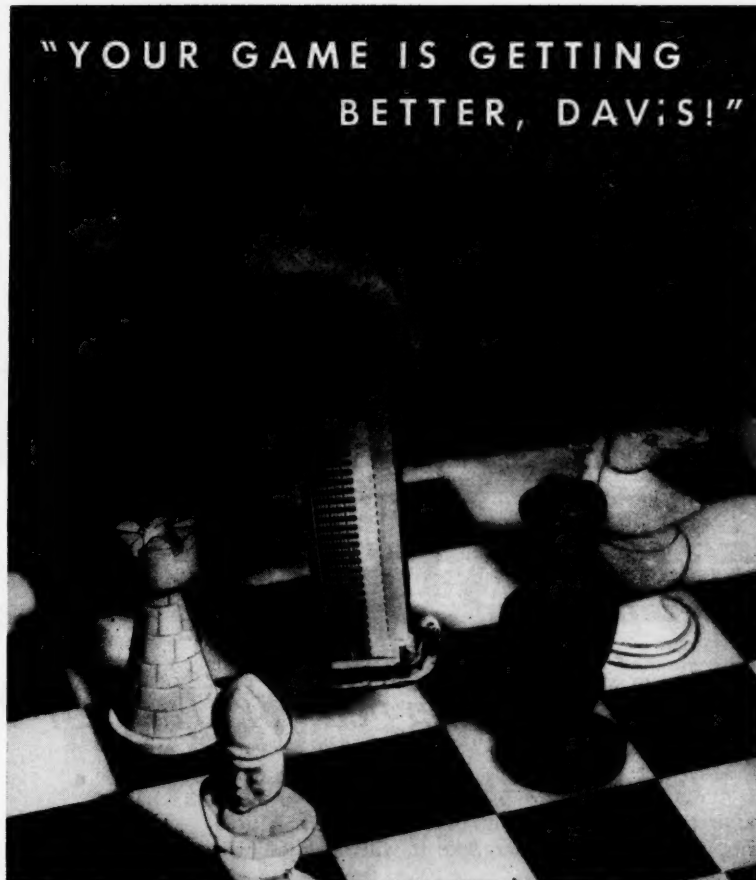
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moment now."



19 Insurance Teachers Win ARIA Fellowship For Study At Insurer Home Offices

This summer 19 teachers of insurance from U.S. colleges and universities will be taking advantage of fellowships awarded under a cooperative program sponsored by American Risk & Insurance Assn., formerly known as American Assn. of University Teachers of Insurance. ARIA works on this program in conjunction with American Mutual Alliance, Insurance Infor-

mation Institute, LIAMA and National Assn. of Independent Insurers.

Under the program, insurance teachers are provided the opportunity to spend four to six weeks in insurance company home offices studying company policies, procedures and problems.

Laurence J. Ackerman, dean of the school of business of the University of Connecticut, is chairman of the program's coordinating committee and David A. Ivry, professor of insurance at the University of Connecticut, is secretary.

Nationwide Life Dismissed From Florida Anti-Trust Suit: Victim Of Mistaken Identity

Nationwide Life was dismissed as co-defendant in an anti-trust suit filed in U.S. district court at Miami after the petitioner's attorney acknowledged it was a case of mistaken identity.

In a letter to Murray D. Lincoln, Nationwide president, Attorney Thomas B. DeWolf wrote: "The information upon which Nationwide was named has turned out to be

incorrect..." He said another insurer will be named instead.

The suit, filed by American Bankers Life of Florida, had accused Nationwide, Ford Motor Co. and Ford Motor Credit Corp. of conspiring to sew up a large part of the credit life business in southern Florida and charged them with violating the Sherman anti-trust act. The petitioner had alleged that Ford coerced dealers to finance a certain percentage of the purchases through the wholly-owned subsidiary, Ford Motor Credit Corp., which in turn informed dealers it would finance only cars covered by Nationwide credit life coverage.

L. Kent Babcock Elected Philadelphia CLU Chief

PHILADELPHIA—L. Kent Babcock general agent here for Aetna Life, has been advanced from 1st vice-president to president of the Philadelphia CLU chapter.

Other officers elected are John C. Knipp Jr., Connecticut Mutual Life, 1st vice-president, William B. Kirk, Occidental of California, 2nd vice-president, Carl P. Lundy, Prudential, treasurer, and William F. Lee, Penn Mutual Life, secretary (reelected.).

The chapter elected as directors F. J. Dopheide, Prudential, M. B. Lamar Jr., Fidelity Mutual, J. R. Wilhelm, Connecticut Mutual, S. G. Haines Jr., Home Life of New York, Raymond Oberdorfer, State Mutual Life, and A. L. Baker, National of Vermont.

Atlantic, Southwestern Merger Becomes Official

Consolidation of Atlantic Life of Richmond with Southwestern Life of Dallas has been officially consummated, with the Virginia company becoming the Atlantic division of Southwestern. Atlantic Life officers will remain as officers of the Richmond office, which will serve Florida, Maryland, the Carolinas, Pennsylvania, Tennessee, Virginia, West Virginia and Washington, D.C.

The consolidated company will have assets over \$600 million and \$2.7 billion of insurance in force.

Ames Chairman Of N.Y.C. Agents

John H. Ames, Mutual Benefit Life, has been elected chairman of New York City Life Underwriters Assn. Mr. Ames has been an association director and has served as chairman of several committees.



A framed gavel commemorating his term as president of Texas General Agents & Managers Conference is presented to William R. Baggs, John Hancock, Fort Worth, center, by Ben Atkinson, American General Life, Austin, the newly elected president of the state association. L. Mortimer Buckley, New England Life, Dallas, a past national chairman of General Agents & Managers Conference looks on.



IDEA ROOM

(Reserved for July 24-25-26)

DURING the Annual Meeting of Northwestern Mutual agents, this room and others like it will be filled with men exchanging ideas.

The point is: while accommodations such as this belong to the Home Office, the meeting doesn't. Northwestern Mutual agents hold their own meeting.

The reason is simple: a sincere belief that one of the best ways for an agent to become more successful is to share ideas with other successful agents.

The room shown above will prove the point on July 24th, 25th and 26th. On these days, meetings planned by agents on subjects selected by agents will be given by speakers chosen by agents.

We take this opportunity to again welcome NML agents to Milwaukee and our "idea" rooms. May they have a most pleasant trip and a successful meeting.

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81st Annual Meeting of Northwestern Mutual Agents, July 24, 25 and 26, 1961, Milwaukee, Wisconsin

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY MILWAUKEE, WISCONSIN

200 Aetna Leaders Qualify For First Two Regional Meets

Some 200 leading producers of Aetna Life attended the first two of four meetings of the company's Corps of Regionnaires—one for the northeastern states at Whiteface, N. H., and the other for western states at Victoria, B. C.

At the northeastern meeting, Erhardt G. Schmitt, New Haven, was given special recognition for having qualified for the honorary organization in each of the 33 years since it was founded. Other honor guardsmen, those who have qualified 25 times or more, were Ernest L. McCutcheon, Hartford, G. Gustave Steiner, New York, Alfred J. Freisem, Rochester, N.Y., George H. Rapaport, Springfield, Mass., and David P. Faxon, Philadelphia.

Henry S. Beers, president, gave the welcoming address.

John A. Blanchfield, vice-president and director of agencies, reviewed the company's growth and cited individual company and industry advertising and the efforts of life agents as having effectively brought the life insurance story to the public. Ellsworth C. Dobbs, agent at Newark, emphasized the importance of a highly personalized sales approach when dealing with family heads.

Bernard A. Sloane, assistant general agent at Brooklyn, discussing prospecting as the key to success, said that a life agent's conviction that he is performing an indispensable service by telling people about his product makes prospecting easy and enjoyable.

Robert B. Coolidge, senior vice-president, opened the northeastern meeting the second day and urged his audience to regard the life insurance business as a true vocation, not merely as an occupation.

Mr. Coolidge said, "Every outstanding life underwriter that I know has strong convictions about life insurance and about his vocation of selling and distributing it just as widely and as skillfully and as intelligently as he possibly can."

In a talk titled "Million Dollar Ideas," Sumner Rodman, Boston, advised his listeners to seek fresh concepts of the problem-solving abilities of life insurance and to use meaningful terms in describing them to clients. Hubert R. Enders, manager of A&H sales, called for increased emphasis

(CONTINUED ON PAGE 27)

Belknap: Old Rules For Needs, Selling No Longer Hold True

(CONTINUED FROM PAGE 2)

plete market"—life, group, health insurance and pensions.

"Specialization in life insurance selling," Mr. Crosby said, "can have adverse effects—it may narrow your market unnecessarily and damage your persistency, resulting in commission losses. Don't overlook the prospect in the lower age-lower income bracket. See him and sell him—some now, more later. You can climb the ladder of success with him."

The president's award for over-all agency performance was presented to the White & Winston agency at New York. Second place went to the Dascit agency at New York which also took first in ordinary life volume. Second place awards for ordinary life volume and group production were won by the Constitution agency at New York. The Life & Accident agency at Chicago was outstanding general agency in the midwest region, and the Zahorik agency at Alhambra, Cal., in the Pacific region.

Leader in second-year persistency of ordinary life was the Curtin agency at Cambridge, Mass., with the Sato agency at Los Angeles in second place. The Washington agency at Seattle was A&S production leader, followed by the Marlyn agency at Philadelphia. Individual A&S production leaders were Leonard Berman and Herman Kay, both of the Marlyn agency.

Group production leaders were Elmer G. Leterman, New York, trailed by Edwin Savori, Freeport, N.Y. Individual regional leaders in all lines were Wallace Weininger, Newark, eastern; Kenneth R. Lancaster, Benton Harbor, Mich., midwest, and Milton G. Sanders, Phoenix, Pacific.

Named to the company's hall of fame for ordinary production of \$1 million or more were Jack E. Jackson, New York; Philip L. Y. Kong, New York, and Morton D. Weiner, Beverly Hills, Cal.

N.Y. Chamber Names Three

New York Chamber of Commerce has elected to its committee on insurance J. Dewey Dorsett, general manager Assn. of Casualty & Surety Companies; J. Henry Smith, underwriting vice-president Equitable Society, and John C. Weghorn, president Weghorn agency.

MARIE...JOE SALESMAN'S AIDE de CAMP



"Dear Boss . . . Hooray for your bonus—I'm having a great vacation. And hooray for the Ladies' Specials you wrote that made it possible. See you in two weeks with more leads. Marie."

Anico's ME62 is a special low-cost protection plan for women. All premiums are guaranteed back at age 62, or an annuity at age 65. This "no cost" protection (premiums are way under male rates) is a spectacular seller in Anico's line of competitive specials. (Top commissions and vesting.)

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Illinois Mutual has a complete portfolio of quality Life, Disability, Income, Hospital and Major Medical insurance issued on both individual and group basis.

Join a growing, progressive industry leader providing security for its policyholders and financially rewarding careers for its agents. Ask about Illinois Mutual's two new non-cancellable and guaranteed renewable disability policies with life-insurance-like high first year commissions yet with liberal A & S-like renewal commissions.



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Editorial Comment

Important Move Against Replacers

Life insurance people everywhere will be watching with keen interest to see what happens as a result of the new Florida law governing presentations by salesmen licensed to sell both life insurance and mutual funds.

The new provision, added to both the insurance code and the state securities law, provides that when a dually licensed salesman makes a presentation involving both life insurance and securities he must submit to the prospect a written proposal and keep a duplicate of it in his own files for at least three years. The penalty for failure to comply is revocation of license.

The big problem that the law is intended to cope with is the great amount of replacement activity believed to be attributable to salesmen licensed to sell both life insurance and mutual funds. In these cases the sales pitch is to use cash values of existing life insurance to invest in mutual funds and replace the protection with term insurance or financed whole life insurance.

The new law has the support of the insurance department, which has indicated it will enforce the measure actively, and there is no reason to believe that the securities department will be any less diligent in taking action against offenders.

The amendment to the insurance law reads: "If a person simultaneously holds a securities license and a life insurance license, he shall prepare and leave with each prospective buyer a written proposal on or before the delivery of any investment plan. Investment plan shall mean a mutual funds program, and the proposal shall consist of a prospectus describing the investment feature and a full illustration of any life insurance feature. The proposal shall be prepared in duplicate dated and signed by the licensee. The original shall be left with the prospect and the duplicate shall be retained by the licensee for a period of not less than three (3) years. In lieu of a duplicate copy, a receipt for standardized

proposals filed with the commissioner may be obtained and held by the licensee."

The new provision of the securities law reads the same, except that "commission" is used in the final sentence where the insurance version uses "commissioner."

The legislation was initiated by the Life Underwriters Assn., which is entitled to great credit for doing all the work that had to be done in arousing interest. The first approach was to seek a law that would forbid dual licensing entirely, but it appeared, on consulting legal authorities, that this might be knocked out as unconstitutional even if it could be placed on the statute books.

The law that was enacted, however, seems as if it would prove almost as effective as an outright ban on dual licensing. The problem in combating replacements is two-fold. First, is a specific replacement warranted or not? Second, which salesmen are doing enough replacing so it seems likely that they are basing almost all of their selling on it, with the consequent probability that most of it is against the best interest of the buyer?

The new Florida law permits the insurance department to determine quickly which dually licensed salesmen are making a habit of recommending the destruction of permanent life insurance, the investment of the cash values in mutual funds or securities and the purchase of term insurance to replace the protection. The weak point in the usual anti-replacer tactic of complaining about individual cases is that this fails to prove that replacing is pretty much the agent's standard method of selling.

Not only should the written proposal requirement cause dually licensed replacement artists to be extremely cautious in what they recommend but it will enable the department, by demanding a look at all proposals the salesman has made since the law went into effect, to perceive at once the kind of sales pattern the

man is pursuing. Another result should be to cause mutual fund sales managers to insist on their dually licensed salesmen being extremely careful to submit no proposals that will get them into trouble with either the insurance department or the state securities commission. For funds that have been deliberately encouraging their salesmen to advise policy replacement, this will be quite a switch.

It should be remembered, of course, that there are many dual licensees who do their work in a way that is above reproach. Either they do not recommend replacement or they do so only after thoroughly and conscientiously making as certain as possible that it is a wise move for the prospect. It is unlikely that virtually every case they write involves replacement, as is usually the case with the kind of salesman the legislation is aimed at. For it just doesn't stand to reason that in so large a percentage of situations the proper course is to surrender, buy term and invest in mutual funds. And where such a pattern is found, there will usually be grounds for making the agent prove that his advice was sound.

Even if the agent's advice can be proved unsound in only a fraction of the cases he writes, this should be enough to get him out of circulation, because typically these men know no other way to sell. If they can't sell on a replacement, or must be sure that their recommendations will stand insurance department and securities commission scrutiny, most of these specialists are going to have to go out of business. It's doubtful they will be willing to learn to sell life insurance in the orthodox fashion, so the chances are they will sell securities full time or get into some different field.

One possibility is that a dually licensed agent who has been irresponsibly recommending surrendering, buying term and investing the cash value in equities will give up his securities license rather than have to comply with the new law—and then devote his full time to selling life insurance, either term or financed insurance, on a replacement basis. There is the further possibility that such an agent might team up secretly with a securities salesman who would just "happen" to call on prospects who had been visited by the agent.

The agent could of course tell his prospect what a great thing it would

be for him to put his life insurance cash values into "good, sound mutual fund shares" and buy term insurance to restore the protection. Since the agent would not be licensed to sell securities, he would be under no obligation to make a written proposal for either the insurance or the securities plan. However, this would be rather an elaborate circumvention of the new law and might well be so complicated that few agents, if any, would resort to it as a means of keeping the dual market they now have without complying with the new law's requirements.

We hope that every effort will be made to apply the Florida law strictly and to every case where it is applicable. Much will depend on the way in which agents and home offices whose policies are being surrendered go into action and report to the Florida department all cases of unwarranted replacement. The irresponsible dually licensed replacer in Florida is really on the horns of a dilemma: If he complies with the law and supplies written presentations, he has to make sure any replacement recommendation will stand insurance department scrutiny for evidence of twisting. If he fails to supply written presentations and keep them in his files for at least three years he risks losing his license.

Florida is the testing ground for a method of coping with a serious source of unjustified replacements. The success of the method there will determine very largely whether it will be tried elsewhere. Hence every effort should be made by all interested parties to make sure the test is thorough. —R.B.M.

Personals

Jonnet Jean Kerns, whose father, John S. Kerns, is general agent of Northwestern Mutual Life at Sacramento, and Howard K. Holladay, general agent of National Life of Vermont at Boston, will be married the evening of Aug. 2 at the First Methodist Church, Sacramento. Before his recent appointment in Boston, Mr. Holladay was district agent at Augusta, Ga., for the Atlanta agency of National Life. Miss Kerns is a 1961 graduate of Stanford University, where she was a member of the women's senior honorary society and of Pi Sigma Alpha, national political science honorary society.

Crawford H. Ellis, chairman of Pan-American Life, has been awarded the diploma and medal of the National Order of Ruben Dario by the President of Nicaragua, Luis A. Somoza, for distinguished service to the people of that country. The presentation was made in New Orleans by Gen. Reynaldo Chavez, consul general at New Orleans.

Robert Oliner of the Gundersdorff agency at Newark of Equitable of Iowa has received the Lions achievement award from the Nutley (N.J.) Lions Club. He was chairman of a successful fruitcake sale conducted by the Lions to raise funds for an eyesight conservation project.

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EDITORIAL OFFICE

17 John St., New York 36, N. Y.
Tel. BEekman 3-3953 TWX NY 1-3080

Robert B. Mitchell, Executive Editor
William Macfarlane and Jud Higgins,
Assistant Editors

CHICAGO EDITORIAL OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.
Tel. WABash 2-2704 TWX CG 654

John C. Burridge, Associate Editor
Richard G. Ebel, William Faltysek and
R. R. Cusaden, Assistant Editors
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Willis H. Yocum, Denver
Robert I. Zoll, Philadelphia

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Commissioner Charles Gold of North Carolina suffered a broken right elbow as the result of a fall while he was picking blackberries near his home in Rutherfordton. An operation was necessary, and the commissioner will be convalescing for several days.

Benjamin N. Woodson, president of American General Life, for the second consecutive year was the first person to register in advance for NALU's annual convention in Denver, Sept. 24-29.

Deaths

JAMES W. MILLER, 76, who pioneered operations in Canada of Occidental of California, died at his Los Angeles home. After a brief career as an agent, he went into publishing but returned to insurance in 1914 with Western Mutual Life Association, a fraternal which was acquired by Occidental in 1927. He rose to general manager for Canada and was division manager at the time of his retirement in 1950. A son, W. Lockwood Miller, is with the company's Miller-Underell agency at London, Ont.

JOHN W. CAREY, 71, former general agent at Tacoma, Wash., of Occidental of California, died at Seattle. He started in the business with Mutual of New York in 1916, becoming district manager at Kalispell, Mont. In 1929, he went with Pacific Mutual and headed agencies at Missoula, Mont., Spokane and Seattle. He joined Occidental in 1940 and was general agent at Tacoma until he retired in 1956.

HARRY T. WRIGHT JR., 67, an assistant supervisor of the Illinois department since 1943, died at Springfield.

Stocks

By H. W. Cornelius of Bacon, Whipple & Co., 135 S. LaSalle Street, Chicago, July 11, 1961

	Bid	Asked
Aetna Life	128	132
American General	62	65
Beneficial Standard	33 3/4	35
Business Men's Assurance	72	74
Cal.-Western States	82	86
Commonwealth Life	40	42
Connecticut General	270	276
Continental Assurance	188	195
Franklin Life	115	120
Gulf Life	30	32
Jefferson Standard	64 3/4	66 1/2
Liberty National Life	78 1/2	80 1/2
Life & Casualty	23 1/2	24 1/2
Life of Virginia	100	104
Lincoln National Life	135	139
National L. & A.	183	188
North American, Ill.	19	20
Ohio State Life	51	55
Old Line Life	70	Bid
Old Republic Life	22 1/2	23 1/2
Republic National Life	70	75
Southland Life	125	130
Southwestern Life	102	107
Travelers	131 1/2	134
United, Ill.	55	57
U. S. Life	74	76
Washington National	74	76
Wisconsin National Life	38	41

Pritt Heads Jackson (Mich.) Agents

D. J. Pritt, Lincoln National, has been elected president of Jackson (Mich.) Life Underwriters Assn. Other new officers are Jack Finnegan, Metropolitan Life, vice-president; R. L. Washbush, John Hancock, secretary; and John Dobbin, Connecticut Mutual, treasurer.

Premiums In All Group Lines—\$5.9 Billion; \$332 Million '60 Gain

Premiums of all forms of group insurance increased \$332 million in 1960 to reach a total of nearly \$5.9 billion in annual premium business, according to the annual survey of group coverages in the U. S. which has been released jointly by Health Insurance Assn. of America and Institute of Life Insurance.

Health Insurance accounted for the largest block of premiums, \$2,895,000,000, with group life following with \$1,867,000,000, and group annuities in third place with \$1,110,000,000.

Of the primary group coverages chiefly written on employer-employee groups, group life covered the greatest number of individuals, 40,980,000, at the end of 1960, with group disability income coverage second, 20,970,000, and group accidental death and dismemberment third, 20,859,000. Following these came group surgical benefits, 17,803,000, and group hospitalization, 17,492,000. Group credit life, not applying to employer-employee groups, covered 36,285,000.

Total persons covered, including dependents of individuals under primary or employer-employee groups, were surgical, 47,180,000; hospitalization, 46,895,000; life, 44,127,000; medical expense, 27,479,000; major medical supplementing basic policies, 17,285,000, and major medical without basic policy, 8,323,000.

Underwriters National Appoints Denham

David S. Denham, 2nd vice-president Wolverine, has been named underwriting vice-president of Underwriters National of Indianapolis. He was manager of the health insurance department of Secured from 1946 until that company was purchased by Wolverine and moved to Battlecreek the first of this year.

Prior to his connection with Secured, starting in 1927, Mr. Denham was with the old Reserve Loan Life in Indianapolis in various capacities in the agency and underwriting departments prior to the purchase of the company by Texas interests and its move to that state.

Mid-Michigan Agents Elect Frank Killoran

Frank Killoran, Prudential, was elected president of Mid-Michigan Assn. of Life Underwriters at the annual meeting in Owosso.

Other officers elected were Robert McFarlane, Prudential, 1st vice-president; Bruce Tomkins, Farm Bureau Life, 2nd vice-president; E. G. Grant, Equitable Society, secretary, and Harwood Hass, Confederation Life, treasurer.

Burrell Heads Omaha CLU's

John Burrell, director of foreign operations for United Benefit Life, has been named president of the Omaha CLU chapter. Other officers named were: 1st vice president, R. H. Pickford, Northwestern Mutual Life; 2nd vice-president, Carl G. Mammel, Massachusetts Mutual Life; secretary-treasurer, Gerald Hall, American General Life, and education chairman, Solomon Schwartz, Western Life of Helena.

Sales of Mutual Trust Life during a record first half represented a 21% increase over the first six months of 1960.

Comments On The Insurance Field From The Investment Dealer's Chair

By LEVERING CARTWRIGHT

Cartwright, Valteau & Co., Board of Trade Building, Chicago

Renewed strength appeared in insurance stocks last week and they closed Friday on a steep upthrust that dazzled the professionals. One important factor was that the funds, with a lot of July dividend money to reinvest, turned to insurance stocks that are now so popular. There was a theory that the Ford Foundation with a cool \$250 million now burning its pockets after the huge sale of Ford stock, is bound to put some of this into insurance stocks. Fire and casualty stocks had just come into favor again and they shared in the advance.

Not to be overlooked as a market influence is the fact that several of the

On Tuesday Continental Assurance sold as high as 195, Franklin Life 125, and Connecticut General 285. They opened lower on Wednesday. There is evidence of greater public participation in the life stock market now.

annual reference works on insurance stocks and insurance companies had just been delivered. As investors pore through these, spot values and growth and make comparisons, they are frequently stimulated to buy. Then, too, a half year has passed, and the July 1 values are taken into account.

Illustrating the kind of market it was, Government Employees Life soared from 80 bid Thursday to 93 the next day. Kansas City Life was up 100 points for the week to 2070 bid and Great American Life Underwriters was also a 100 point gainer. Franklin Life was plus 6, Conn. General up 28, Continental Assurance 20, Lincoln National 9, Aetna Life 8, Mass. Protective 7, Monumental 4 (a 3,500 share block overhanging the market was cleaned up), Travelers 7, California-Western States Life 3, Gulf Life 2 1/2, U. S. Life 3. American National broke through its previous barrier of 12 and was strongly bid at 12 1/2. Washington National was 74 1/2 bid with none offered, up 3. National Life & Accident was plus 7.

On the fire-casualty side Phoenix was the spectacular performer on the announcement that it is empowered now to buy its own shares. It was up 12 points to 114. This is a rare procedure in the insurance business. Some time ago Agricultural bought a block of its own shares. United Pacific Corp., which owns United Pacific Insurance along with Centennial Mills and other things, makes a practice of doing this. Insurance Shares Certificates Inc., the closed end investment trust, has been regularly pursuing this policy.

Hartford Fire, which has been laboring under a large supply of stock, broke out steeply and advanced 6 points on the week to 74. Federal gained better than 4 as did Aetna Fire. St. Paul was 2 higher and there were numerous advances ranging up to 2 points. Criterion, the latest unit in the Government Employees group, sold as high as 52. The subscription price on this was \$6 per share. The Meserole companies (Bankers & Shippers, Jersey and Pacific) which have been in a market rut for years, closed the week entirely on the bid side with no stock offered. General America Corp. was up 6, and American Ins. was plus 3.

All-American Life & Casualty of Park Ridge, Ill., an exceptionally aggressive situation, went into new high ground at 15 1/2 bid. Its market has nearly doubled since last November.

The offering of 375,000 shares of Inland Life of Chicago at \$4 was heavily oversubscribed and the stock traded afterwards as high as \$6 1/2. A. G. Becker & Co., was the underwriter. This is the company with a star-studded directorate.

Animal Ins. Co. filed with SEC a registration statement for 40,000 shares at \$15.50 with Bernard M. Kahn & Co., New York, as managing underwriter.

Reliance Ins. advanced 2 1/2 points Friday after a period of sluggishness following the Standard Accident acquisition.

Continental Casualty recovered its 4 point retreat from recent high ground. International Life of Buffalo, headed by Harold D. Farber, successfully completed an underwriting of 350,000 shares at \$5. This was handled directly by the company without commission expense. Subsequently the stock sold as high as 18, then a market of 10-12 developed in it.

NALC Seeks A&S Tax Treatment Change

(CONTINUED FROM PAGE 1)

able as recognized by the tax law, nor is the reserve required by law.

Semi-group coverage (franchise or association group) may be classified by the company as true group, thus receiving the 2% deduction, or as individual A&S, thereby losing the 2% deduction, depending on the company's state of domicile, state of residence of the group, company management practice, or miscellaneous factors, such as size of group, competition, benefits involved, and the like. To allow one company to gain a tax advantage by such a small act as calling semi-group true group appears inequitable, said Mr. Harker.

Mr. Harker also said that to allow the 2% deduction on individual A&S will serve to encourage companies to enter the individual A&S field, offer experimental coverages, be more liberal as respects renewal and other policy features, and extend coverage to groups previously considered unin-

surable.

This is so, he said, because there will be an encouragement for the company to accumulate a contingency fund (earmarked or not) to protect the operation and also act as a buffer against any fluctuation. It will also equalize what has become an uneven race between group A&S and individual A&S.

10 Companies Join LOMA

Life Office Management Assn. has admitted to membership 10 life companies, bringing the total membership in the association to a record 407.

The new members are American Bankers Life of Miami; Fidelity Union Life, Dallas; Great American Life of New Jersey; Investors Life, Cedar Rapids; Maccabees Mutual Life, Detroit; National Accident & Health, Philadelphia; National American Life, Baton Rouge; Sentry Life, Stevens Point, Wis.; Surety Life of Salt Lake City, and Unity Mutual Life, Syracuse.

WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.
THE NATIONAL UNDERWRITER—LIFE EDITION

LIFE SALES MANAGER

Do you want a "ground-floor" opportunity as the guiding sales light of a new Midwest life company, part of an established multiple line group? Can you hire, train and lead men in administering entire life sales operation? Are you age 35 to 45, college degree, experienced in life sales, training, administration and working with brokers? If "yes", then show your ability to pursue an outstanding opportunity by writing today to American Union Life Insurance Company, 303 E. Washington Street, Bloomington, Illinois.

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operating in any state, territory, or possession of U.S. Prefer to deal with principals, but will recognize brokers. We guarantee complete confidence. Will not reveal identity of company, principals, or facts revealed.

Write giving your latest financial data, type and volume of life insurance in force, premium volume, price desired per thousand insurance in force, nature & type of investment portfolio. Include copy of last annual statement to be returned if no deal develops. Will retain present management and agency forces. Reply to Z-45, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ACTUARIAL OPPORTUNITY

A rapidly growing, medium-sized life insurance company located on the Eastern Seaboard is seeking a young man interested in an actuarial career. Excellent starting salary. Many extra benefits. Excellent opportunity for advancement. Address replies in confidence to Z-67, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

ACTUARY WANTED

Consulting work with insurance and pension clients in our St. Louis or Kansas City office.

Our actuaries work directly with clients and assume full responsibility. Work is varied, interesting, and challenging. We are doing a lot of ratebook and policy form work on 1958 CSO. Some travel; but not too much. Company-paid generous pension and profit sharing plans, group life and comprehensive family hospital coverages. New air conditioned suburban offices. Replies strictly confidential.

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PROPERTY UNDERWRITER

Medium sized capital stock company has interesting vacancy for a capable young man who is interested in growing with our expanding organization. Individual selected must have a minimum of three years property underwriting experience and two years of college training. Interest and willingness to broaden experience, increase his knowledge is essential. Position located in northern Illinois. Relocation at company expense. Please furnish full details to Z-35, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

GROUP REPRESENTATIVE

Challenging opportunity for H.O. Group Representative in expanding Group operation of young, growing company. About 30, 2-3 years experience in Group Sales. Extensive travel required. Write R. D. Quackenbush, Bankers National Life Insurance Co., Montclair, N. J.

ACTUARIAL ASSISTANT

Medium sized Midwest Life Company needs young man with some actuarial background. Outstanding opportunity for advancement. Our staff knows of this ad. Reply in complete confidence to Z-51, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CHIEF UNDERWRITER

Expanding West Coast company needs experienced man with strong background in Accident and Health and Life to head up Underwriting Department.

Must have good administrative ability. Will consider man presently employed with large company as Assistant Chief Underwriter willing to relocate. Submit complete resume to Z-56, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

Actuarial Department of well established, rapidly expanding consulting firm has attractive opening in New York City for Associate or Fellow. Write Z-44, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

VICE PRESIDENT SALES

AVAILABLE SEPTEMBER 1961—EXCELLENT SUCCESS RECORD. Write Z-54, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

LIFE COMPANY WANTED

Large multiple line stock company desires to purchase life company with one hundred million or more insurance in force, licensed in several states preferably the southwest. No change in management is contemplated. Write Z-55, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

A&S Men Expecting Delay Of Medical Care Bill Were Right

(CONTINUED FROM PAGE 1)

for the aged via the social security route among his "must" legislation, it was difficult to predict exactly how the King bill would fare. Even when HIA held its annual meeting in May, many members of the association would not venture a guess as to which way the House, especially, would jump.

A month later, however, seasoned health insurance observers of the Washington scene began to recognize a familiar pattern. Ways and means hearings on the bill were put off until their July 24 date because of other studies being considered by the House unit. The Labor Day adjournment date seemed closer than ever. There appeared to be no sense of real urgency over the bill emanating from the White House or HEW.

Among those who foresaw the stall on the bill and reported on it were some of the speakers at the annual meeting of International Assn. of Health Underwriters in mid-June.

HIA General Manager Robert R. Neal told the meeting, "It is generally assumed that there will not be legislation in the health care field during this session of congress. It is anticipated that pressure will come during 1962, an election year."

E. H. O'Conner, who is chairman of IAHU's legislative committee, also predicted that although hearings would be held on the measure this year, it would not come up for a vote until 1962. Sen. Kerr of Oklahoma, another speaker at the meeting, would only venture a guess that there was a 50-50 chance hearings would be held this session.

Prepare For Big Fight In 1962

Although prepared to make a good showing at this year's house hearings, so certain were health insurance people about the bill's fate in the 1961 session that they were already making preparations for the big fight in 1962, according to a spokesman for Health Insurance Institute.

What course that battle will take is anybody's guess, say other spokesmen for the health insurance business. Of course, since it will be a congressional election year, when all members of the House will be up for re-election, the odds against the bill will be considerably trimmed down. On the other hand, the administration's influence on Congress next year may be somewhat diminished, and certainly won't be as strong as it was this year, during the first several months of the Congress-White House honeymoon. Then, too, more important matters—Berlin, Cuba, Laos, or any one of a dozen other hotspots and crises around the world—may sidetrack the measure.

SALES PROMOTION—ADVERTISING

Need imaginative assistant to age 30, 2-3 years experience Sales Promotion-Advertising Life, A&H, and/or Group. Progressive company, suburban Home Office. Write W. H. Hackett, Bankers National Life Insurance Co., Montclair, New Jersey.

ACTUARY AVAILABLE—Young F.S.A., Extensive experience in employee benefit plans and with life company work. Write to Z-24, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Partnership Problems Are Discussed At MDRT Meeting

(CONTINUED FROM PAGE 2)

"the problem of talking with professional groups is holding their interest. They don't all arrive at the same time, they are called out to answer the phone, and because of their extremely busy schedules and very often lack of interest in business affairs, they find it difficult to focus their attention on such mundane problems as the proper handling of their partnership interests.

"How many of you have found in calling on professional partners that they have had under discussion for months—or even years—the formulation of their agreements, or have shown to you the agreement that has been resting in the desk drawer since last August—unsigned? Or have an agreement but have never considered the finding of it.

"The group in question had an agreement that committed them to purchase a deceased partner's interest. Each interest was valued at \$20,000. There were presently 17 partners for a total valuation of \$400,000, but since the immediate plan was to add three partners, the focus was on the \$20,000 interest."

The partnership or the partners could at any time meet the obligation to buy out a deceased partner's interest from accumulated funds, so Mr. McCreary keyed his argument not to what could be done but what was the cheapest, most efficient way of doing it—"sufficiency vs. efficiency." Without insurance, 17 partners own \$400,000 and if one dies, 16 partners will own \$380,000 after the clinic has paid \$20,000 to the deceased partner's heirs. With insurance, if a partner dies, 16 partners will own \$400,000.

"I'm sure you will agree," Mr. McCreary emphasized to the prospects, "that if death occurs, the advantages of a decisive agreement far outweigh a questionable agreement. And a positive, decisive agreement can only be one supported by insurance."

G. Nolan Bearden, New England Life, Beverly Hills, Cal., a past chairman of MDRT, was moderator.

Akron CLUs Elect Bacon

Akron CLU chapter has elected William E. Bacon, Connecticut General, president. The new vice-president is William J. Moore, Massachusetts Mutual, and Karl H. Schmidt, National Life of Vermont, was named secretary-treasurer.

Sunset Life Has A Non-Can

Sunset Life has entered the non-can disability field with a non-can, level premium policy guaranteed renewable to age 65. Features of the policy, for male risks 21-55 in AAA, AA, and A classes, are: Cancellable only for non-payment of premium; original premium guaranteed; no aggregate limit to benefits, with choice of full monthly indemnity guaranteed for 60, 36, or 15 months. House confinement is not required. Premiums are automatically waived during disability after 90 days, or waiting period if longer. A wide choice of waiting periods is available for dovetailing with existing protection. Optional riders include partial disability accident; additional monthly income while hospitalized; lifetime accident indemnity; hospital and/or hospital-surgical coverage; and accidental death and dismemberment.

Valentine Howell Defends Sec. 213 As Sound Bulwark

(CONTINUED FROM PAGE 2)

the under-\$5,000 family heads have no life insurance at all, except possibly for group term? The answers to those questions would give a better answer to the question whether cost ceilings are keeping agents from doing the job that needs doing among people that need insurance the most of all.

If there is agitation to add to the death benefit in social security, it is much more likely to be due to the fact that low-income people are not buying enough life insurance than to the cost of private insurance—even the cost that some life insurance might reach if all ceilings were removed from acquisition expenses. After all, it was the fact that so many people lacked adequate coverage that caused the death benefits to be included in social security in the first place. It was not any allegation that prices were unreasonably high for life insurance brought from private companies.

As far as the TNEC is concerned, our coverage of the hearings indicated that the inquisitors were more concerned about the concentration of coverage among high-income policyholders than they were about the cost of ordinary insurance. The average amount of life insurance carried by people in the medium to lower income ranges did not put the life insurance industry in a very good light, but fortunately the committee did not bear down very hard on this point.

Removal of section 213 would very likely increase the cost of life insurance, but only for companies interested in reaching the lower income market that now is largely avoided because it is unprofitable for agents to give much of their time to. Other companies not interested in getting into that market would have no reason to raise their acquisition costs to cover the higher cost of doing business in it. In fact, they might even come out with lower costs because they could with a clear conscience leave that field completely to companies willing to accept the higher cost of doing business in it.

200 Aetna Leaders Quality For Meets

(CONTINUED FROM PAGE 23)

on professional programming of A&S plans and said a prospect's "health estate" should receive the same before-the-sale service as a life client.

Other speakers at the northeastern meeting included Robert F. Pleu, Buffalo, discussing business life insurance opportunities, and Karl W. Punzak, manager of advanced underwriting sales, and H. Dudley Cotton, assistant manager of pension trust sales, both of whom led an advanced sales seminar.

At the western states meeting in Victoria, S.H. Friedman, Tulsa, was honored for his qualifying for the corps each of the 33 years. Western honor guardsmen who were also honored were Julian S. Marshall, Spokane, Kenneth H. Mitchel, Los Angeles, Lee Cathey, Birmingham, Ala., Earle F. Rumbo, San Antonio, and V. John Krehbiel, Los Angeles.

Messrs. Beers, Blanchfield, Enders, Coolidge and Punzak also spoke at this meeting. Mr. Punzak shared the spotlight during the advanced sales seminar with William H. Holmes, manager of pension trust sales.

Richard R. Norton, assistant general agent at Los Angeles, analyzing the

steps in life insurance prospecting, said that almost every phase of the sales process is a prospecting activity. Billy G. Yount, Tulsa, a former minister, discussed Aetna Life's estate control plan.

Marsh E. Hoffman, Portland, Ore., spoke on the techniques of business life insurance programming. J. E. Berg Jr., general agent at San Diego, covered group insurance sales, and Wallace E. Ott, San Francisco, discussed the personal satisfaction that can be derived from a career in life insurance.

WLRT To Honor Its Former Chairmen In 25-Year Fete

Women Leaders Round Table of NALU will celebrate its 25th anniversary in Denver during the annual meeting of NALU, Sept. 24-29. As part of the celebration, the group will honor its past chairmen. Norma Austin, Pension Funds, Detroit, a member of the executive committee, will be in charge of the WLRT banquet and will be assisted by Inge Graemer, United American Life, Denver.

LOMA Holds Training Program At Princeton

Life Office Management Assn. held another of its periodic workshops on supervisory training at Princeton, N. J. The main business of the five day program was a review of the association's two-year-old general manual for supervisors. Representatives of 21 companies were present.

The conference leader was Edmond H. Curcuro, LOMA's new director of education and training. He was assisted by Elmer W. Earl Jr. of the association staff and company men serving on the training committee. There were 21 companies represented at the workshop.

Gilbert Bruce Is Elected Utah Managers' President

Gilbert S. Bruce, Prudential, has been elected president of Utah Life Insurance Managers Assn. He succeeds William G. Dokos, Manhattan Life. Other new officers are James W. Larsen, John Hancock, vice-president, and Wesley J. A. Jones, Surety Life of Salt Lake City, secretary-treasurer.

New paid life insurance in **Equitable Life of Iowa** during June amounted to \$15,421,028, an increase of 2% over the corresponding month in 1960, and the sixth successive gain month in 1961. This brought the total for the first six months to \$87,413,482, a gain of 8.1% over the corresponding period in 1960. Life insurance in force at the end of June was \$1,799,710,573.



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- 42 full time representatives
- Personal earnings in the upper five figures.

*Joined All American
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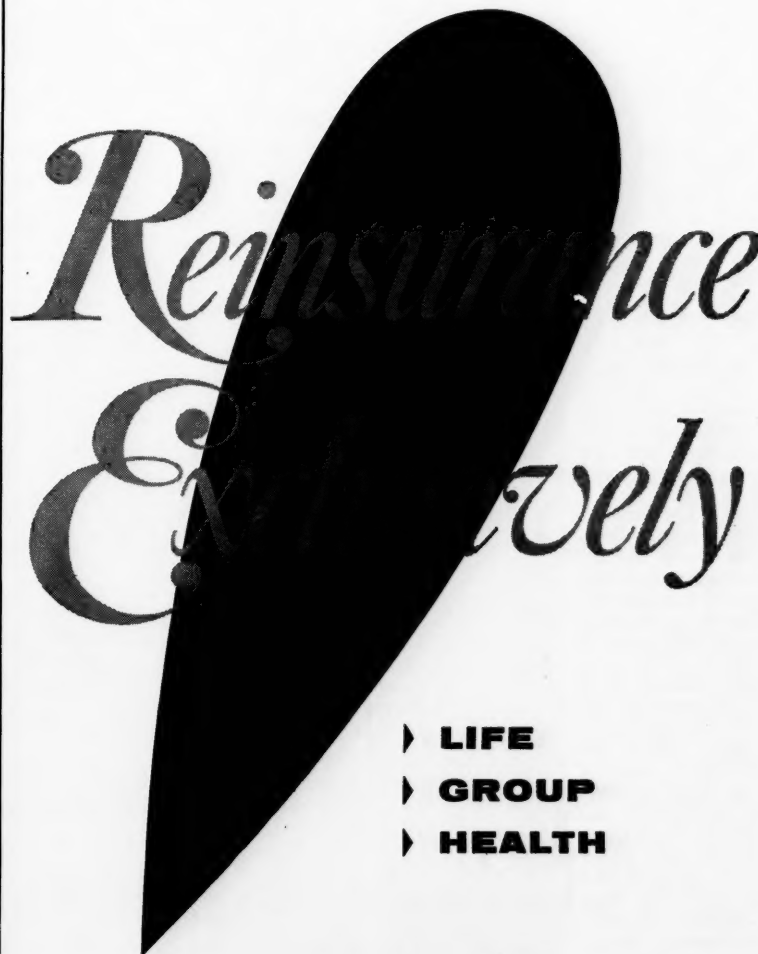


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These 1961 National Quality Award Winners

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Richard M. Rausch (1)

Illinois

Alvin E. DeWeerth (3)
Lammert H. DeWeerth (11)
E. K. Hasselbring (10)
Harold C. F. Jeckel (3)
Robert C. Meyer (6)
Martin A. Moerbe (8)
John M. Park (12)
Harold T. Voigt (4)

Indiana

Paul W. Swanson (3)

Iowa

Alvin F. Bahlmann (2)
Eugene L. Christian (4)
Virgil H. Folkers, CLU (10)
Kenneth R. Fox (3)
Delbert L. Hartman (2)
Thomas R. Holm (1)
Frank J. Hummel (10)
Esther Kohagen (3)
Elmer J. Kottman (3)
Leonard C. Kramer (9)
Lawrence A. Lubben (7)
Gladys H. Marten (14)
Rudy R. Myers (3)
Gertrude Nybakken (6)
John H. Oltmann (6)
George C. Rausch (9)
George A. Sneed (2)
Merle E. Sullivan (2)

Kansas

George A. Novotne (2)
Benjamin Nuss (1)
Merton O. Todd (3)

Michigan

John R. Berger, Jr. (2)
Edwin H. Holmberg (4)
Herold J. A. Lueders (12)
Paul J. Rudlaff (2)

Minnesota

Marc W. Arneson (6)
Byron E. Birch (1)
Hilbert H. Hantelman (9)
Irving O. Hemp (1)
Melvin S. Johnson (5)
Harold W. Mattke (3)
Ben H. Ritter, Jr. (8)
Howard F. Ritter (8)
Glenn N. Struckman (1)

Nebraska

Arthur Winkelhake, CLU (10)

New York

Albert Felmet, CLU (13)
William A. LeCook (9)
Arthur F. Schepler (1)

Ohio

J. V. Albrecht (14)
Donald H. Barkley (3)
Carl F. Bockelman (10)
Carleton G. Case (16)
James S. Cline (2)
Oliver Curfman (9)
Fred W. Guinsler (4)
Carl E. Hannum (1)
Samuel J. Harke (13)
Harold C. Ling (8)
Fred H. Lueck (14)
Jae E. Oney (2)
Albert C. Printz (6)
Dale E. Shambaugh (2)
George H. Sielschott (10)
Paul H. Sutter (1)

Oregon

William V. Bottler (2)
Clarence A. Norcross (5)

Pennsylvania

Sam T. Beach (5)
M. I. Crumrine (7)
Harold A. Palmer (7)

South Dakota

Lawrence E. Hunze (2)
Milford W. McGaughey (2)
Herbert A. Oster (10)

Texas

Clifford P. Boehme (1)
Ernest L. Hax (8)
I. B. Krienke (10)
Benton Luedecke (9)
Edward H. Pape (3)
Floyd V. Zoch (1)

Washington

Darrel D. Nichols (2)
Robert A. Nistad (3)
Lewis N. Williams (2)

Wisconsin

Grant Anderson (4)
Edward M. Boettcher (1)
Frederick A. Dettmann (3)
Roland F. Ebert (3)
Fred W. Gamm (5)
Carl F. Hanusa (9)
Harry C. Hendrickson (3)
Richard E. Mahnke (1)
Wilford M. Norman (1)
Harvey C. Raasch (9)
Ellsworth H. Shields (9)
Lawrence P. Van Dam (1)

() Figure indicates number of years the award has been won.

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